



Home of the Tualatin River National Wildlife Refuge

2011 - 2012
ADOPTED

BUDGET



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Sherwood
Oregon**

For the Fiscal Year Beginning

July 1, 2010

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Sherwood, Oregon for its annual budget for the Fiscal year beginning July 1, 2010.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide as a financial plan, and as a communication device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

City of Sherwood, Oregon
22560 SW Pine Street
Sherwood, OR 97140

Adopted Budget

2011-2012



Budget Committee

City Council

Mayor
Council President
Council Member
Council Member
Council Member
Council Member
Council Member

Keith Mays
Dave Grant
Bill Butterfield
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Linda Henderson
Matt Langer
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Vice Chair
Citizen Member
Citizen Member
Citizen Member
Citizen Member
Citizen Member

Kimberly Rocha-Pearson
Ivonne Pflaum
Irene Baker
Timothy Carkin
Perry Francis
Steve Munsterman
Lynette Waller

City Manager
Finance Director/Budget Officer

Jim Patterson
Craig Gibbons

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Date: April 18, 2011
To: The Citizens of Sherwood
City of Sherwood Budget Committee
From: Jim Patterson, City Manager
Subject: FY12 Budget Transmittal Memo



It is my privilege to provide the citizens and the Budget Committee of the City of Sherwood with my proposed budget for Fiscal Year 2012 (FY12), the fiscal year that begins on July 1, 2011.

State budget law provides for three levels of review and scrutiny of this budget: the City Manager, the Budget Committee, and the City Council. At any step in this process the reviewing body can and should alter the budget if they believe it is in the best interests of the City.

At my review, I modified most of the department budgets, following discussion and collaboration with the Department Directors. I based my modifications to address the structural imbalances on the following restraints and acknowledgments.

1. The budget will provide resources needed to sustain current operating efficiencies.
2. The budget will provide resources to sustain the quality of life in Sherwood.
3. Managing expenses is the responsibility of city administration, but managing expenses alone will not resolve the gap between revenues and expenditures.
4. Fees and taxes will have to be considered as a means to support existing services and provide expansion of services if the current economic trend continues.
5. All budget actions must serve to enhance citizens' level of trust in City government.

THE GENERAL FUND

The General Fund budget that I am recommending for FY12 is a break with the past and has required difficult and certainly unpopular decisions. It is a budget that reflects the changing economic and political environment in which we now operate. The budget anticipates that this environment will continue and contains elements to respond specifically to that anticipation.

Ultimately, Sherwood will grow commercially and residentially and the area's economy will improve. These changes will take us to a new future. The budget I am recommending is designed to bridge the gap between now and the time we see the next wave of growth that is sure to come.

General Fund Base Budget and Three-Year Forecast

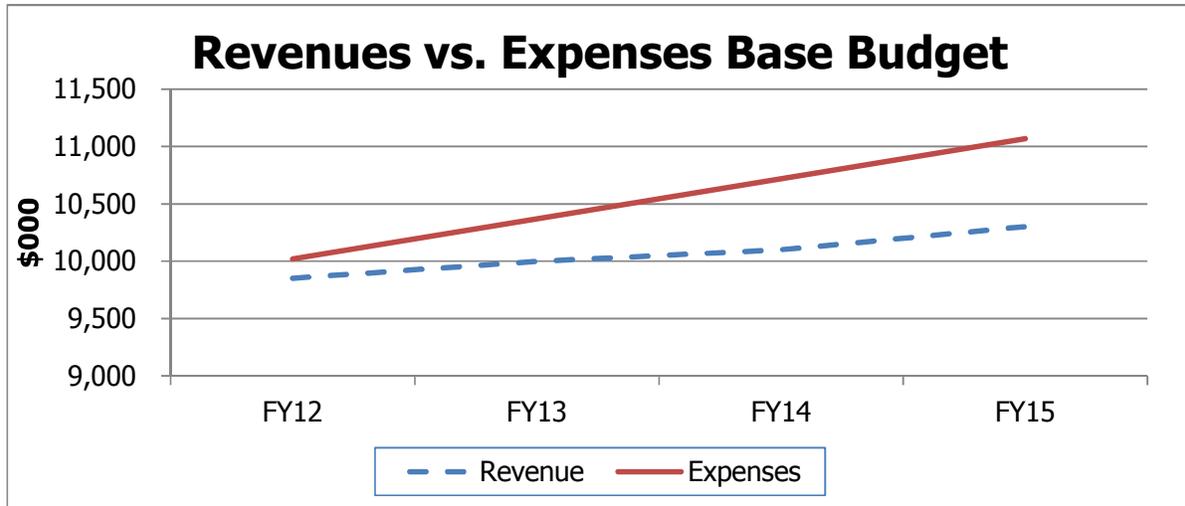
This year I am introducing the concepts of a "base budget" and a "three-year forecast."

The base budget is the budget that will result next year if we make no staffing or service level changes. It includes only the cost increases and revenue increases that would accrue normally if the City took no action to change the budget.

The three-year forecast applies inflationary trends to that base budget and anticipates the long term effect of today's financial decisions on future budgets.

The FY12 General Fund Base Budget would have operating revenues of \$9.8 million and operating expenses of \$10.0 million, for an annual operating loss of \$200,000.

For the three-year forecast of that base budget (FY13, FY14, and FY15) I have no evidence, limited confidence, no data, or reason to anticipate any “automatic” revenue increases aside from the annual 3% increase in property tax revenues. As a matter of fact, my concerns are that previously stable revenue sources may decline further in the near future. “Automatic” increases in personal services and inflationary increases in materials and services will overwhelm any foreseeable revenue increase. And the result-if we do nothing to change the direction-is the fund balance will be depleted by FY15. That is an unacceptable outcome and not fiscally responsible.



So the General Fund budget I am recommending for FY12 is a budget that lays the foundation for FY13, FY14, and FY15. It is a budget that acknowledges that the expense trajectory far exceeds the revenues trajectory. Expense will have to be reduced and revenues will have to be increased for Sherwood to avoid service cuts in the future. The focus of my recommended budget is to manage the expenditure trajectory without sacrificing services during a sustained period of no growth and deal with structural imbalances that are a result of periods of high growth and then a leveling out period. This is a budget that is designed to achieve this objective by addressing both expenditure controls and potential revenue enhancements.

RECOMMENDED BUDGET

The FY 12 budget cannot be developed without a focus on FY13 and the years beyond: the success of my recommended budget depends on significant actions that will need to be taken between now and December 2011 in preparation for that FY13 budget. Those actions include:

- a. Collective bargaining negotiations with both unions,
- b. Analysis of service delivery alternatives,
- c. Application of information technology to continue to create efficiencies,
- d. Consideration by our elected officials of new or increased fees, and, of course,
- e. Management control of spending.

These are just the actions needed to increase the possibility of maintaining current service levels (which I consider above average levels of service). If service levels need to be reduced in FY13 or, if the community would like increased services, then I am recommending initiation of a community wide conversation. That conversation will include using professional surveying methodologies to ascertain the citizens’:

- a. Service priorities,
- b. Interest in new or enhanced services,
- c. Tolerance for new fees or taxes, and
- d. Level of trust in their City government.

This conversation would be part of the FY13 budget process and would need to be concluded before December 2011.

Financial Aspects of FY12 Budget

The critical cost savings element of this recommendation is a reduction in FTE. Moving forward I am left with no choice under the current economic conditions and I must act in order to address our future. I issued layoff notices to three employees on April 4, one each in Finance, Police, and Community Development. In addition, a wage freeze for all non-represented employees is included in this budget. This reduction in FTE count and freezing of one employee group's salaries reduces the future personal services liability, positively affecting the expenditure trajectory. This is a vital component to addressing current and future structural imbalance in our budget.

This recommended budget **does not address** the critical staffing needs raised again this year by the Police, Community Services, and City Recorder departments. Given the Finance Director's revenue forecasts for future years, funding those positions will trigger future cuts and therefore I do not find it wise to fund additional positions at this time.

My recommended budget does establish one new position. That position is a School Resource Officer, a sworn police position that will be assigned to work in the schools and the cost of which will be shared with the Sherwood School District.

The result of these changes is a General Fund budget with operating revenues of \$9,892,000 and operating expenses of \$9,957,000. The annual loss is reduced to \$65,000, well within our capacity to address through tight spending controls.

Fund Balance

The General Fund's projected ending fund balance for FY11 is \$1.8 million. The budgeted ending fund balance for FY12 is \$1.55 million. That loss is due to the \$65,000 operating loss indicated above and the transfer of \$200,000 to the Street Fund. The resulting fund balance is 15% of revenue. Staff will discuss the details of this fund balance and its conformance to the new financial policy on fund balance during the budget committee meetings.

The General Fund budget I am recommending is only a start at the process of establishing a sustainable budget. If we make no further adjustments to both revenues and expenditures in future budgets, the fund balance will be depleted in FY15.

PERSONAL SERVICES

Key personal services issues in this budget are as follows.

- Health insurance costs are budgeted to increase by 8%.
- PERS rates will increase as of July 1. The impact of that rate increase is that the cost of PERS will increase from 16% of salaries to about 20%. Based on PERS operating policies that rate will not increase in FY13.

- The number of Full Time Equivalent (FTE) positions is reduced by 2.0. A senior accountant, plumbing inspector, and emergency management coordinator have been removed from the budget and a full time police officer (partially funded by the school district) has been added.
- Non-represented employees will not get raises for cost of living or merit.
- Contracts with represented employee groups are underway and the results will be effective with this budget.

OTHER GOVERNMENTAL FUNDS

This budget reflects proposed changes in the City’s fund structure. Pursuant to its new financial policies, the Council will be asked to institute these changes via resolution in a separate action this spring. The changes are as follows.

Two actions are required to conform to governmental accounting standards.

- Reclassify the Street Fund from an enterprise fund to a governmental fund.
- Decommission the Asset Depreciation Fund and replace it with capital replacement reserves in each fund

And two other actions will be suggested as a way to simplify financial management.

- Divide the Street Fund into a Street Operations Fund and a Street Capital Improvement Fund.
- Divide the Urban Renewal fund into a URA Operations Fund and a URA Capital Improvement fund.

The Street Operations Fund incorporates a staff proposal for changes in the street fees based on the April 5th Council work session discussion.

Staff will be providing detailed information about these changes during the Committee’s meetings.

ENTERPRISE FUNDS

Just as the General Fund budget was developed with an eye on impacts to future years’ budgets, so were the Enterprise Fund budgets. The standards for these funds were to:

1. Maintain the current service level
2. Include expenses need to maintain the assets
3. Include contributions to replacement reserves
4. Adjust rates to support these actions and the long term stability of the enterprises.

The Enterprise Funds are the four self-sustaining utility systems operated by the City: Water, Sanitary Sewer, Storm Sewer, and Telecom. One of the funds, Water, has a rate increase for FY12 already approved by Council. In this budget, I am recommending a rate increase in the Sanitary Fund.

SUMMARY

The Revenue pie charts on page 11 of this document and the expenditure pie charts on page 15 show the City of Sherwood’s financial strength. All the pie charts show the diversity of Sherwood’s revenue sources and expenditure categories. The diversity of revenues protects the City from the revenue problems of the state (overwhelming reliance on income tax) or the schools (almost complete reliance on revenues from the state). The diversity of expenditure categories insulates Sherwood from abrupt cost increases in any one category. Personal Services account for 85% of school district costs.

Sherwood’s personal services’ expenses are slightly higher than materials and services, and lower than capital outlay.

Underpinning this healthy diversity of revenues and expenditures are fund balances that themselves are the major component of both the revenues and expenditures.

This budget has been crafted to protect this financial situation while maintaining the current level of services to citizens. I look forward to working with you this year to perfect and implement this budget.

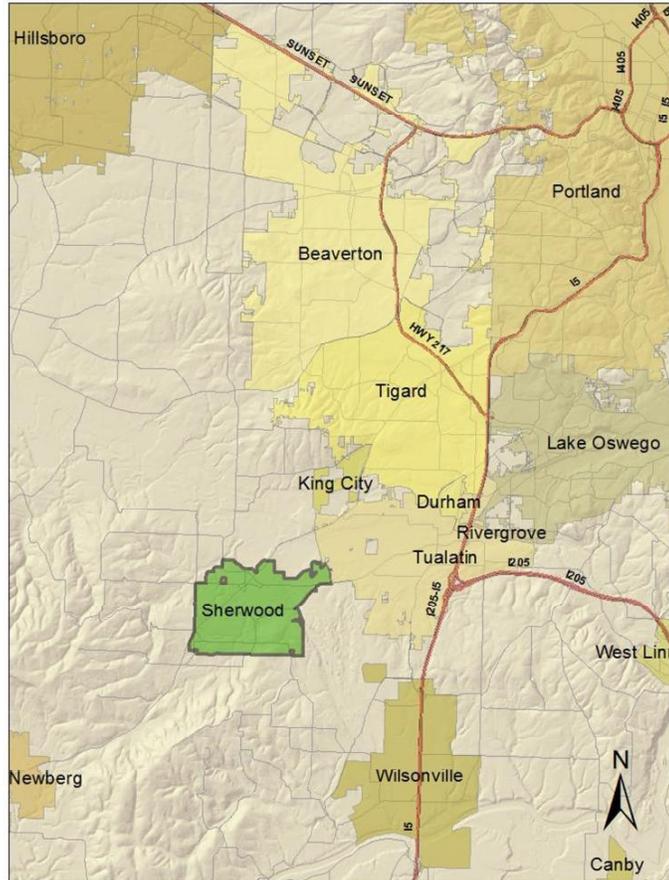
Respectfully submitted,

Jim Patterson, City Manager



About the City

The City of Sherwood, incorporated in 1893, encompasses 4.1 square miles of land on the south edge of the Portland metropolitan area, in northwestern Oregon. Other cities that are part of or near the metro area, such as Tigard, Tualatin, and Wilsonville, are used for comparisons in this budget where data is available.



The City of Sherwood has all powers granted to municipal corporations by State statutes, including the power to issue debt, levy taxes on real property within its boundaries, and extend its corporate limits by annexation.

The City provides a full range of services, including police protection, library, construction and maintenance of streets, parks, and utility infrastructure, recreational activities and cultural events, current and long-range planning and development review, and building permits and inspection. Senior services are provided by a nonprofit organization, housed in the City-owned Senior Center. Certain services are provided by or in cooperation with regional organizations. Fire protection is through Tualatin Valley Fire and Rescue, a separate regional entity. As of July 2009 the City of Sherwood resumed operations of the City’s water utility. Sherwood owns and operates the sanitary sewer and storm water collection facilities; treatment is by Clean Water Services, a regional authority. Electricity, Telephone service, and trash disposal are provided by private businesses. Sherwood is part of School District 88J.

Sherwood is governed by a City Council comprised of an elected Mayor and six Councilors. The City Council exercises policy-making and legislative authority and is responsible for City legislation, adopting the budget, appointing committees, and hiring the City Manager. The Mayor serves a two year term. Councilors serve for four years, with three of the six Councilor’s terms expiring in each biennial election. The City Manager is responsible for carrying out the day-to-day operations of the City.

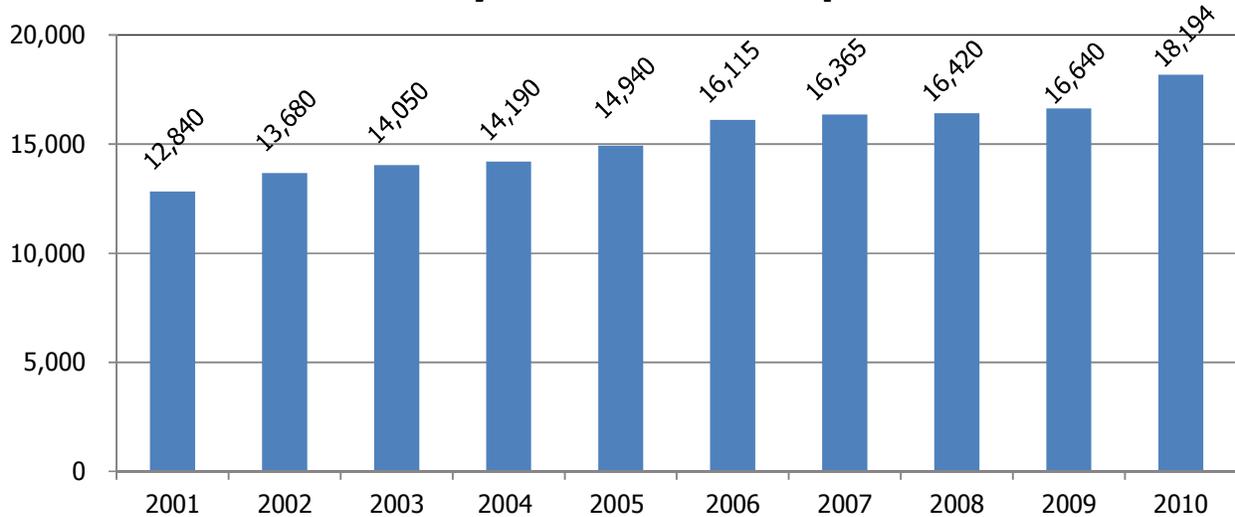
According to Portland State University’s Population Research Center the City’s population as of July 1, 2010 was 16,705, and is predicted to increase by 100 people per year for the next several years. The assessed value of real property exceeded one billion dollars in 2005-06.

In December 2002, the Metropolitan Service District, the regional land use planning entity, added about 300 acres to the City’s Urban Growth Boundary (UGB). Planning for future land uses, civic services, and infrastructure improvements has begun. Annexation requires voter approval. Sherwood is in the Portland, Oregon – Vancouver, Washington metropolitan area. The economy of the metro area is broad and well diversified. According to Oregon Employment Department data, Sherwood’s top four industries by the number of employees are food and drink services, manufacturing, specialty trade contractors, and educational services.

Sherwood has an Urban Renewal Agency (URA) which undertakes activities and projects in the portion of the City designated as the Urban Renewal District. Although the Sherwood City Council is the Board of Directors for the URA, The URA is a distinct municipal corporation and its budget is a separate document.

The City’s fiscal year begins July 1 and ends June 30.

City of Sherwood Population



Of the current residents in Sherwood, more than half (58%) are school aged children, grades 1-12.

Mission Statement

The City of Sherwood will provide services and infrastructure to support the highest quality of life for our residents, businesses and visitors in a fiscally responsible manner.

Values

The City of Sherwood Values and Promotes:

Quality Services

Fiscal Responsibility

Citizen Participation

Community Pride

Community Partnerships

Community Livability

Goals

Public Safety

“The City of Sherwood will provide for the safety and security of the community and its citizens.”

Infrastructure

“The City of Sherwood will provide and maintain infrastructure for its citizens to live, work and play.”

Livability

“The City of Sherwood will provide opportunity for responsible community development and growth.”

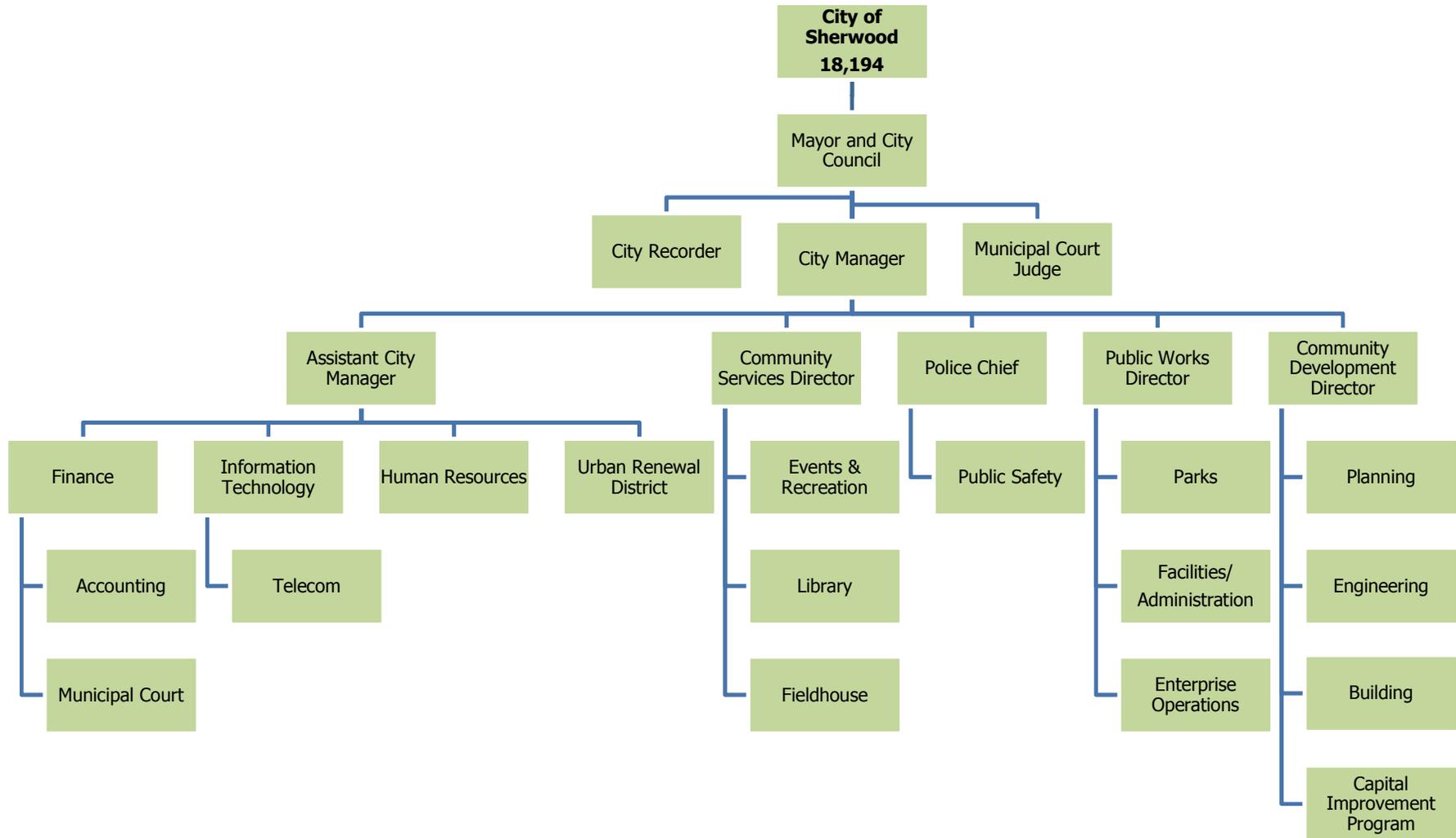
Resident Well Being

“The City of Sherwood will facilitate the provision of services to encourage a balanced quality of life for its citizens.”

Economic Development

“The City of Sherwood will promote responsible economic development which benefits the community.”

City of Sherwood Organizational Chart



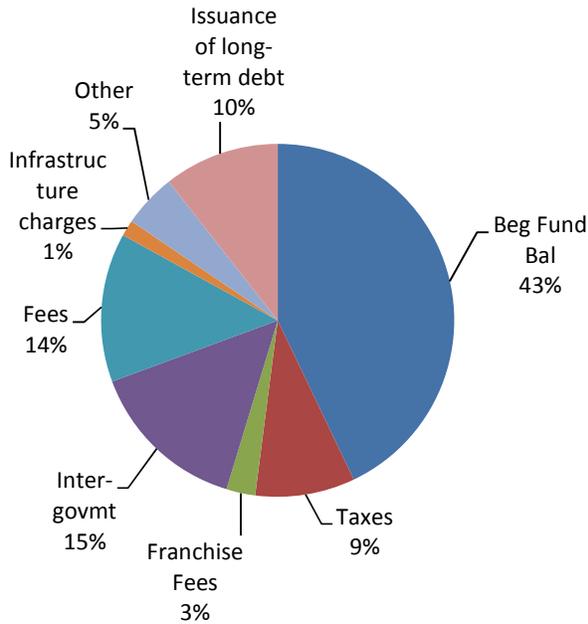
Budget in Total

This narrative walks through components of the Budget in Total. The major sections are sources, uses, and Capital Project expenditures.

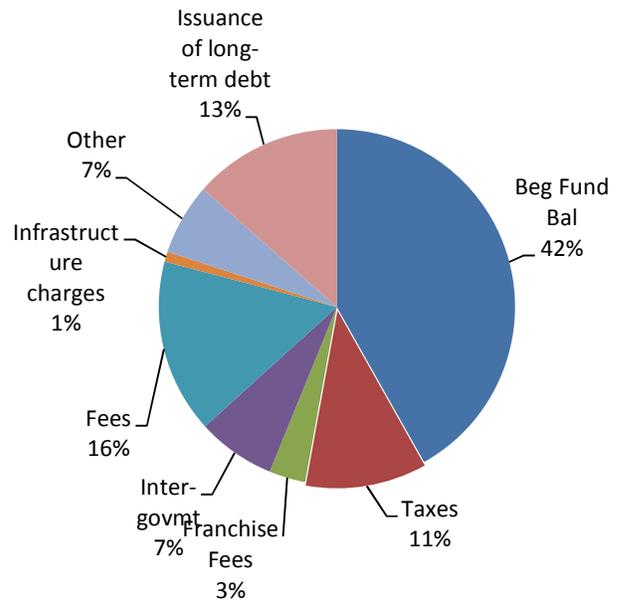
Sources

Budgeted sources, exclusive of transfers between funds, follow.

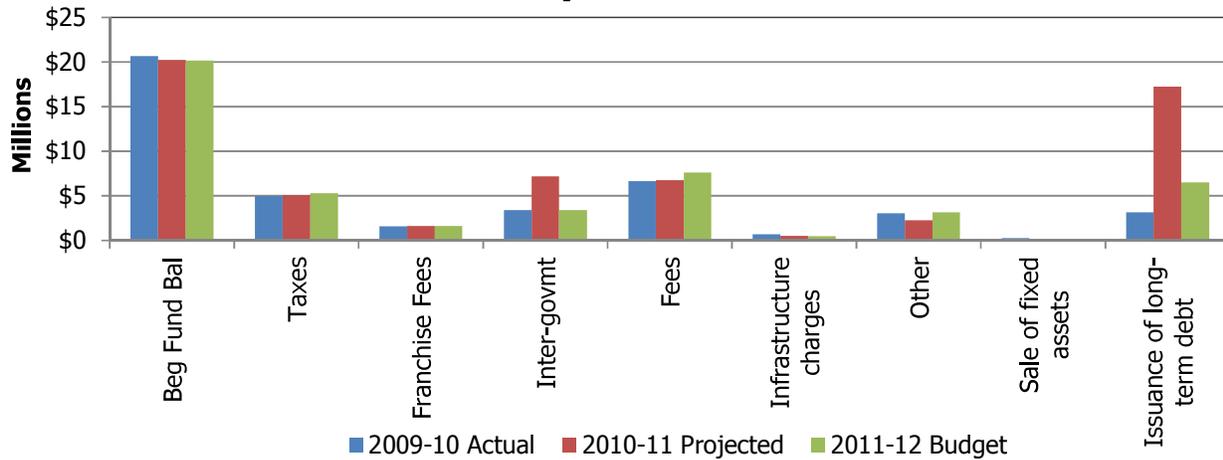
Sources - All Funds 10-11



Sources - All Funds 11-12



**Sources - All Funds
2011-12 Compared to Prior Years**



Beginning fund balance

The difference between total sources and total uses is budgeted as contingency. The alternative is to budget it as un-appropriated ending fund balance. The latter cannot be spent except in an emergency created by civil disturbance or natural disaster. Contingency allows the legal flexibility to spend if necessary.

If contingency is less than beginning fund balance, funds in the beginning balance has been used as a source of resources (expenditures exceeded revenues). If contingency is more than beginning fund balance, fund balance has been increased for use as a source in future years (revenues exceeded expenditures).

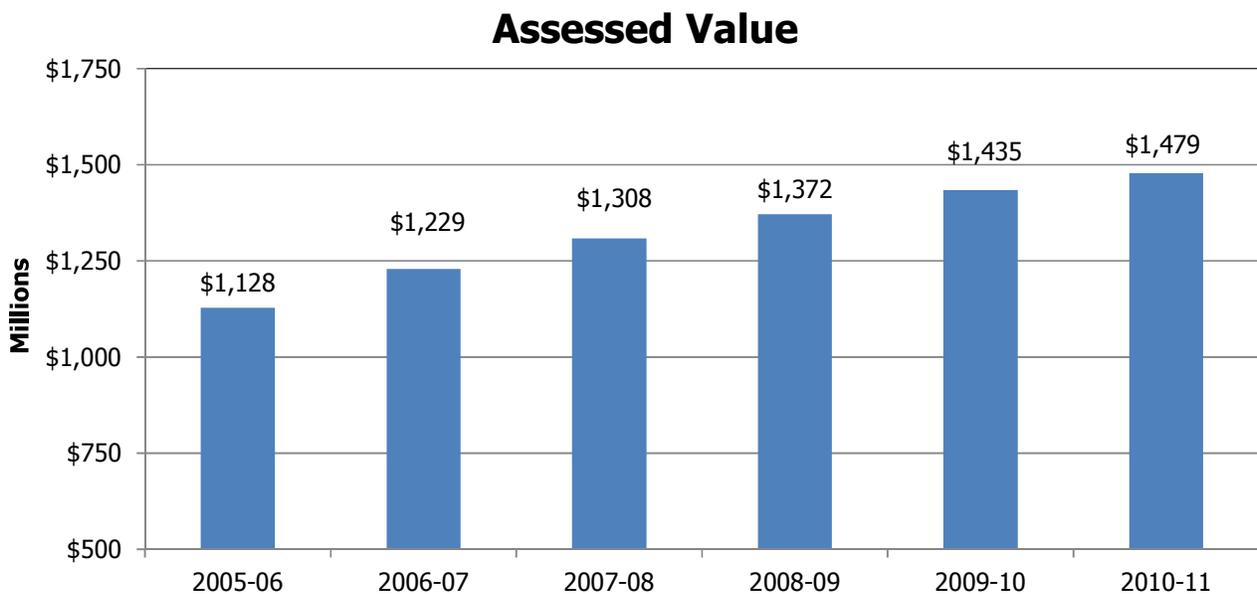
Taxes and franchise fees

Property taxes

Property taxes are levied for two purposes. The permanent rate levy for the City of Sherwood of \$3.2975 per \$1,000 of assessed value supports General Fund operations. Property taxes for the Debt Service Fund are levied in the amount needed to pay principal and interest on voter approved general obligation bonds.

The permanent rate levy was fixed by ballot initiatives in the 1990’s and cannot be increased by the City. General Fund property tax revenue depends on assessed values, which are a function of increased development, the annual 3% statutory increment and the effect of the Sherwood Urban Renewal District. Please refer to the Property Tax Description on pages 25 and 26 for a detailed explanation.

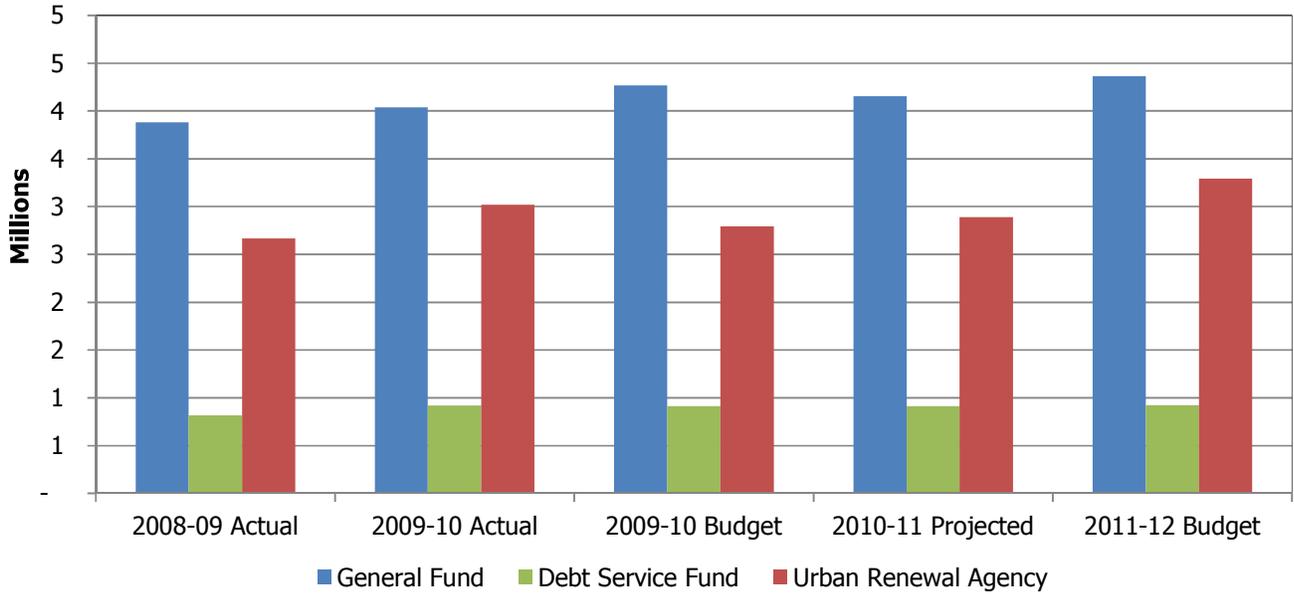
Total assessed value in the City of Sherwood is:



Assessed values are expected to continue growing at a similar rate for the foreseeable future as land is developed and areas within the Urban Growth Boundary are annexed.

The permanent rate levy is divided between the City General Fund and the Sherwood Urban Renewal Agency. Revenue for the General Fund, the URA, and the Debt Service Fund follow.

Property Tax Revenue

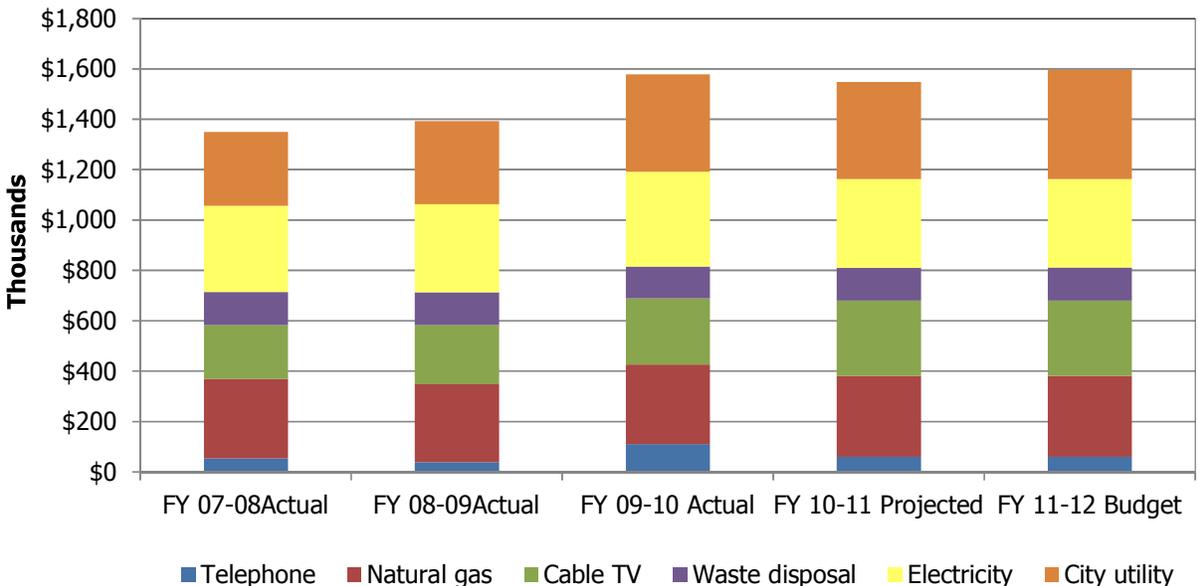


Property taxes represent 44% of General Fund revenue exclusive of reimbursements from the URA.

Franchise fees

Franchise fees are collected from utilities as compensation for use of the City’s rights of way. Franchise fees are based on utility revenue, so they generally increase with population growth.

Franchise Fees



Intergovernmental

Intergovernmental revenue includes:

- State distributions of shared revenue and vehicle fees.
- County support to the library as part of the Washington County Cooperative Library Service.
- Sherwood School District for shared services.
- Federal, State, and Local Government grants.

Charges for services

The water utility rates will increase 7.5% effective July 1, 2011 and 4.0% effective January 1, 2012. This budget proposes the city sanitary surcharge of \$.32 increase to \$.64 per EDU. This budget proposes the street fee revenues to increase approximately 50%. This budget proposes a new event permit fee

Infrastructure development charges

These are fees for private development plan review and inspection and system development charges (SDC's) on new construction. SDC's are restricted to use for capital improvement projects that support capacity for growth.

Fines, interest and other

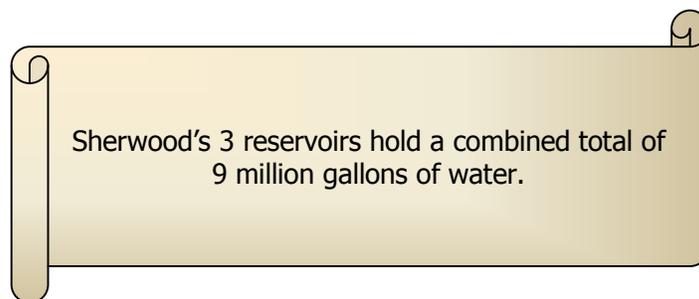
Other revenue includes fines for traffic infractions and other violations, library fines, and interest on our bank accounts.

Sale of fixed assets

There are no sales of fixed assets contemplated in the fiscal year 2011-12 budget.

Issuance of long-term debt

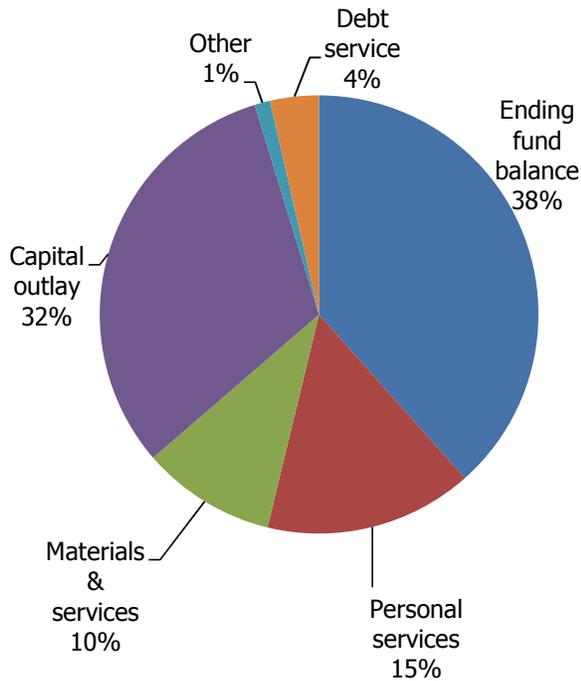
The City will be acquiring a construction loan for the remainder of the water pipeline to Wilsonville project for approximately \$6,500,000.



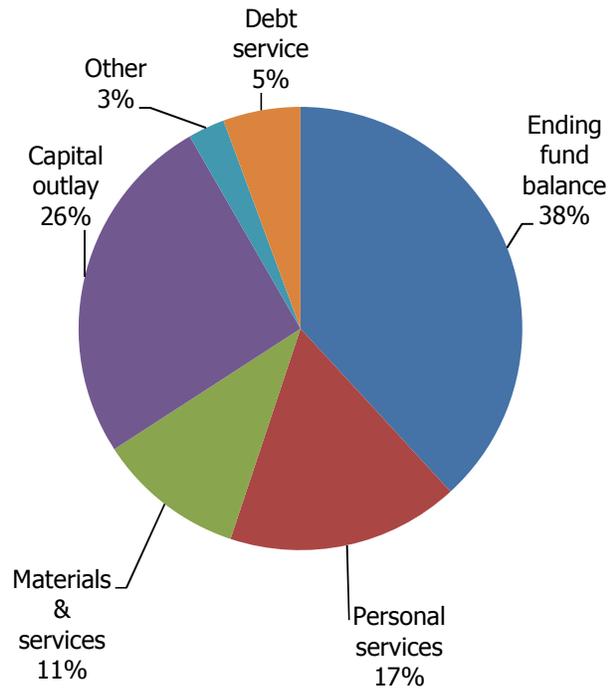
Uses

Uses for all funds are:

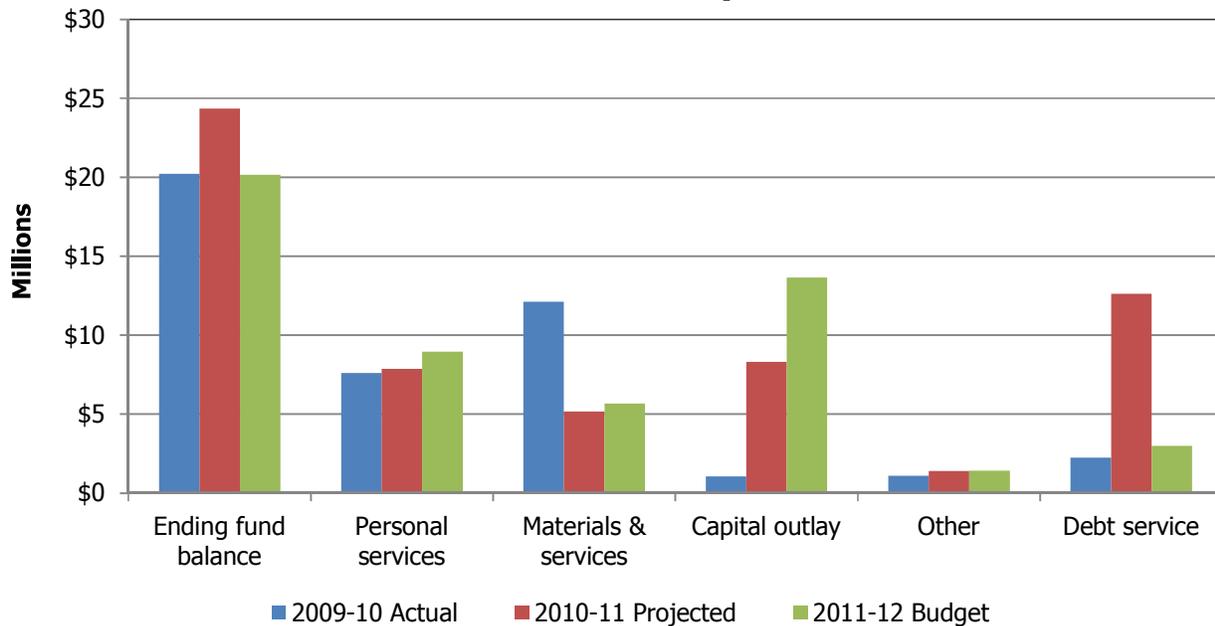
Budgeted Uses of All Funds 10-11



Budgeted Uses of All Funds 11-12



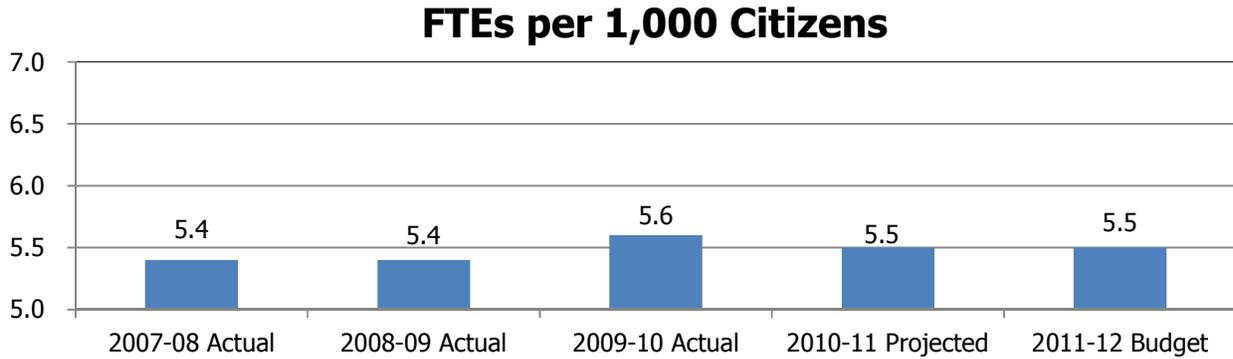
Uses - All Funds 2011-12 Compared to Prior Years



Personal Services

Full-Time Equivalent (FTE)

The following compares City staffing to population growth.

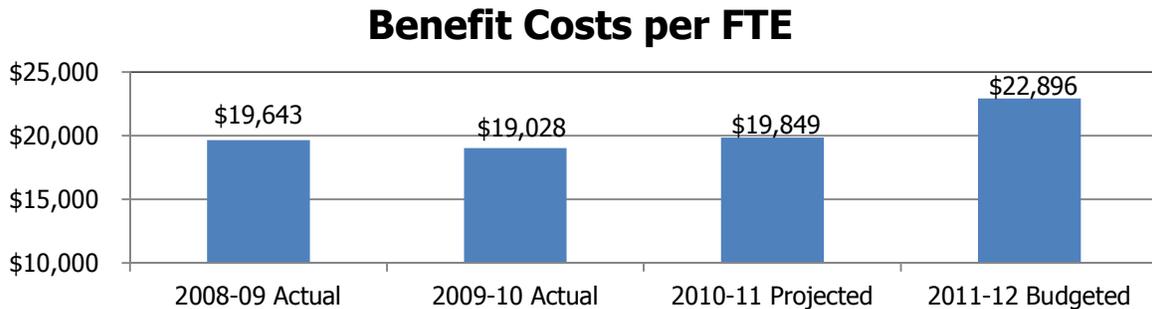


Wages

The budget includes a 1.4% cost of living increase at July 1 for all represented employees. There will be no increases for non-represented employees in fiscal year 2011-12.

Benefits

Benefit costs continue to increase faster than inflation and property tax revenue. The average cost of benefits per employee follows:



The major benefits are health insurance and PERS. Employee insurance costs are budgeted to increase 8% in 2010-11.

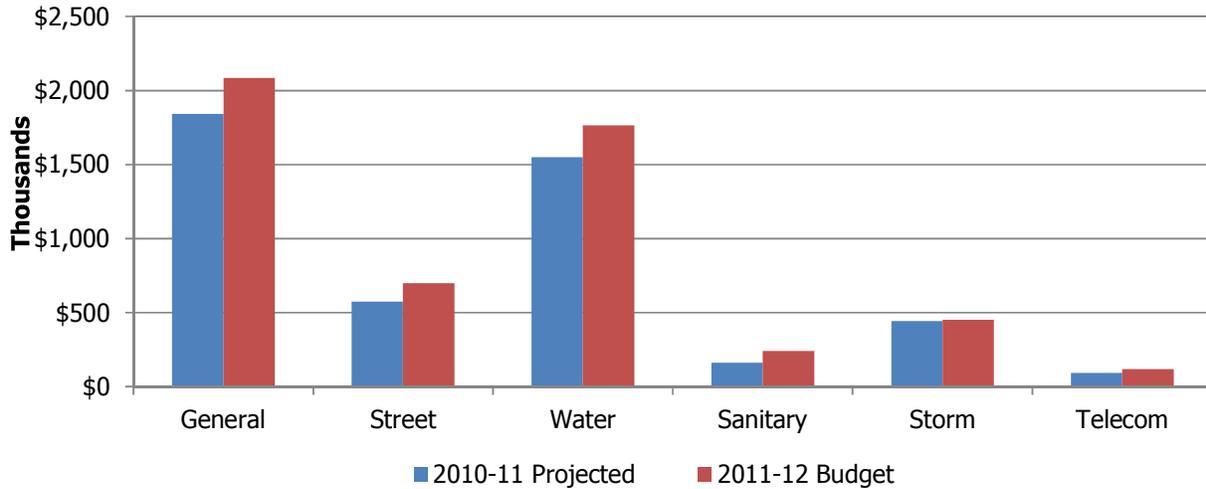
PERS, the state-wide Public Employees Retirement System, had severe investment losses in the late 1990s and is recovering them from employers over several years. The most recently adopted rates for the City of Sherwood are:

- 15.91% for Tier 1 & Tier 2 covered employees
- 10.82% for OPSRP covered employees
- 13.53% for OPSRP Police covered employees

Materials and Services

Materials and services for operations, by fund, are:

Materials and Services - Operations



The change in materials and services for the General Fund and Water Operations are due to various small increases with the majority of the increase in professional and technical services.

Capital Outlay

Capital project expenditures are discussed in the Capital Improvement Program section. Capital outlays are single purchases that are budgeted within the operational budgets of the city whose value exceeds \$5,000. The only significant capital outlay expenditures this year are:

General Fund

- Interoperability equipment for the Police Department that is funded by a Federal grant.
- Police car
- Financial system analysis
- Server storage
- Replacement data backup and archival system
- Cable channel upgrades
- Senior Center Lighting upgrade
- Fuel tank and card system at PW
- City owned sidewalk repair
- Upgrade generator at PW and install generator at City Hall
- Calsense
- Irrigation at the JV baseball field

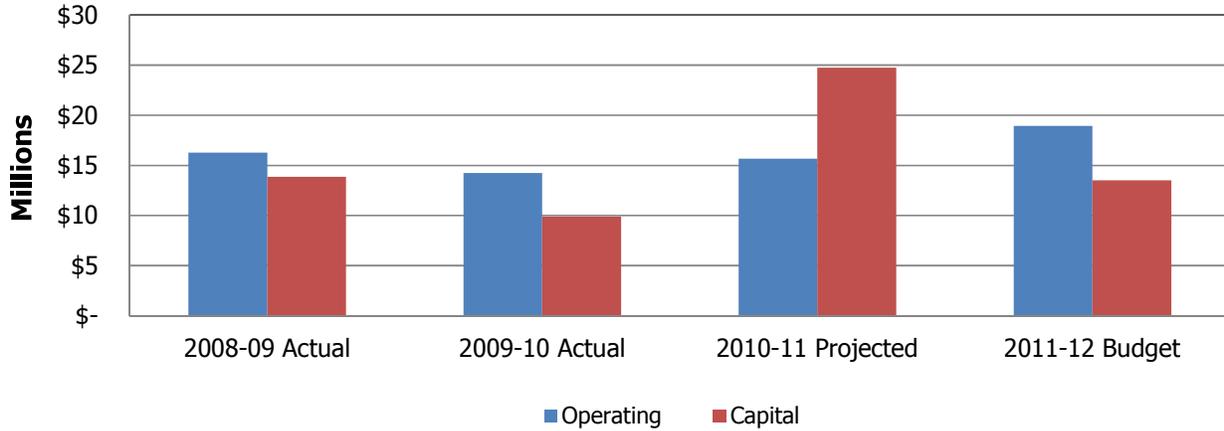
Enterprise Funds

- Telecom – Redundancy for the Sherwood Broadband System
- Storm – TV van camera replacement

Capital Project Expenditures

A substantial portion of the total city budget is for capital projects for building or improving the City infrastructure to handle growth. The projects and their total costs are detailed in the Capital Projects section. Expenditures for capital projects may vary dramatically between years, depending on the particular projects in process.

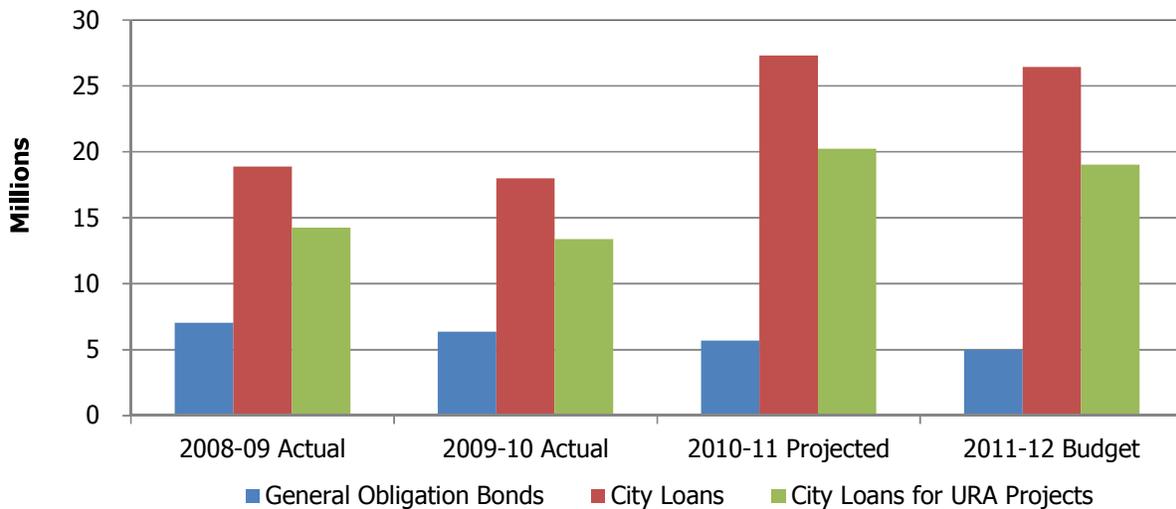
Operating vs. Capital Expenditure



Debt Service

The principal balance of outstanding debt as of June 30, 2011 is: \$53,252,894.

Principle Balance of Outstanding Debt



Payment sources for all debt expected to be outstanding at June 30, 2011 are shown in the Debt Service Expenditures to Maturity schedule on pages 94-97.

Financial Condition and Outlook

The bond rating from Moody's Investors Services for the last general obligation bond, issued in 2004 to refund those originally issued in 1996, was A2, an upper medium grade investment. The City's bond rating was reviewed and confirmed as A2 in fiscal year 08-09.

On May 1, 2010 Moody's Investors Service initiated the local government recalibration of its municipal rating scale. All municipal credits rated by Moody's were changed to a Global Scale Rating (GSR), which better reflects the underlying credit quality of municipal issuers compared to that of corporate or sovereign issuers. The City of Sherwood had an A2 rating under the Municipal rating scale and now has an Aa3 rating under the GSR.

Fees and charges are reviewed annually. Changes are proposed by staff, reviewed by the Budget Committee, and adopted by the City Council. Fees are intended to recover the costs of services which can be specifically attributed to a particular user, as with fees for land use applications and building permits, or to make some contribution toward cost, such as fees for league use of ball fields. In particular, the Council has mandated that development pay for the costs it imposes.

Operations Outlook

Revenue sources for the General Fund are stable; one-time revenue is invariably restricted to specific, limited-time expenditures. However, as detailed in the Budget Message, routine expenditures continue to grow faster than revenue.

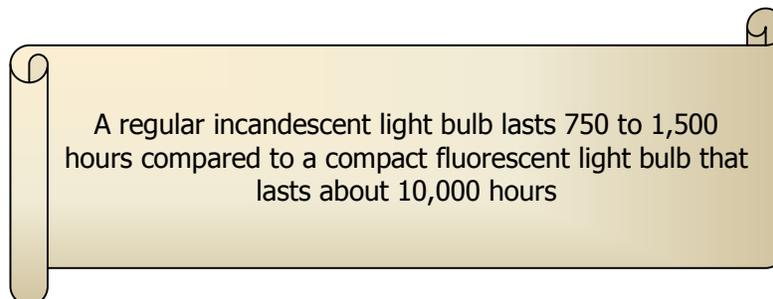
The Water, Sanitary sewer, and Storm water funds are self-supporting with user charges for services for operating needs.

The Street Operations Fund relies on apportionment of vehicle and gasoline taxes and licenses from the state and county. These revenues are stable, but are not increasing at the same rate as the cost of long-term preventative maintenance and rebuilding needs. As a result, the City implemented a Street Utility fee in 2007 to provide for adequate funds for street maintenance and lighting.

Capital Project Outlook

Water, Sanitary sewer, and Storm water funds collect system development charges for infrastructure expansion; the Water Fund also reserves a portion of user charges for capital construction and related debt service. These sources are adequate to fund needs for the existing City service area.

The Street Fund relies on County traffic improvement fees and City system development charges. Capital needs identified in the TSP exceed the projected funding, requiring that future construction is carefully prioritized.



Financial Organization

The City's financial records are organized by fund: operating and capital, and divisions and departments. These views are explained below.

Funds

Funds are required by generally accepted accounting principles for local governments and by Oregon budget law. The purpose of funds is to demonstrate compliance with legal restrictions on the use of resources. The nine funds, grouped by type are described below.

General: The General Fund is the main operating fund. It includes all resources not accounted for in other funds. General fund revenues can generally be used for any government purpose.

Special revenue: The Asset Depreciation Fund has been used is a reserve fund, defined in Oregon budget law, to accumulate money from year to year to provide for the unexpected purchase, improvement, or repair of major capital assets, such as city buildings. The Street Operations Fund collects county and state gas and vehicle taxes to fund the maintenance of city roads.

Debt service: This fund accounts for property tax revenues levied for payment of general obligation bonds.

Capital projects: The General Construction Fund accounts for acquisition or construction of capital assets, other than those financed by Enterprise funds. It includes city buildings, parks, sports fields, recreational facilities, and trails. The Street Capital Fund accounts for the construction of city roads.

Enterprise: Enterprise funds are used for activities that are similar to business enterprises, where the intent is that costs be recovered primarily through user charges or where determination of net income or loss is useful for public policy. The enterprise funds for Water, Sanitary, and Storm are divided into operations and capital departments to reflect budgetary responsibility.

Telecommunications: Telecommunications supports the communication needs of the city, local businesses, school district, and residents. Services within this utility are primarily sold and managed through third party service providers.

Divisions and Departments

The General Fund is split into departments which reflect city programs and managerial responsibilities. These are grouped into five divisions for purposes of appropriations. The divisions are:

- Administration
- Public Safety
- Public Works
- Community Development
- Community Services

Operating and Capital

The budget includes both operation and capital items. The operating budget encompasses recurring expenditures necessary for day-to-day operations. The capital budget is for construction of infrastructure and other long-lived fixed assets. The operating budget generally changes incrementally, as population and services increase. The capital budget is more erratic, depending on when loan funds are received and construction expenditures incurred.

FINANCIALS**BUDGET IN TOTAL****Budget in Total**

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 17,953,895 | \$ 20,679,980 | \$ 24,350,112 | \$ 20,235,520 | \$ 20,154,212 | \$ 20,154,212 | \$ 20,154,212 |
| Revenue | | | | | | | |
| Taxes | 4,698,968 | 4,956,322 | 5,178,830 | 5,067,526 | 5,290,578 | 5,252,578 | 5,252,578 |
| Franchise Fees | 1,392,530 | 1,578,593 | 1,509,706 | 1,547,651 | 1,596,052 | 1,596,052 | 1,596,052 |
| Licenses and permits | 82,359 | 83,009 | 71,600 | 71,600 | 71,000 | 71,000 | 71,000 |
| Intergovernmental | 5,269,107 | 3,367,476 | 8,339,446 | 7,159,568 | 3,427,576 | 3,427,576 | 3,427,576 |
| Charges for services | 5,508,885 | 6,553,577 | 7,746,618 | 6,678,752 | 7,383,900 | 7,383,900 | 7,383,900 |
| Infrastructure development | 3,317,404 | 683,285 | 835,732 | 508,320 | 444,600 | 444,600 | 444,600 |
| Fines, interest and other | 1,450,236 | 1,957,722 | 2,153,792 | 1,487,412 | 1,717,125 | 1,717,125 | 1,717,125 |
| Total revenue | 21,719,488 | 19,179,984 | 25,835,724 | 22,520,829 | 19,930,831 | 19,892,831 | 19,892,831 |
| Other sources | | | | | | | |
| Transfers in | 1,722,507 | 1,092,622 | 664,500 | 740,410 | 1,411,898 | 1,411,898 | 1,411,898 |
| Sale of fixed assets | 3,340,591 | 250,000 | - | - | - | - | - |
| Issuance of long-term debt | 6,096,252 | 3,152,556 | 6,000,000 | 17,249,085 | 6,498,833 | 6,498,833 | 6,498,833 |
| Total other sources | 11,159,350 | 4,495,178 | 6,664,500 | 17,989,495 | 7,910,731 | 7,910,731 | 7,910,731 |
| Total sources | 50,832,734 | 44,355,141 | 56,850,336 | 60,745,844 | 47,995,774 | 47,957,774 | 47,957,774 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 4,912,229 | 5,300,616 | 5,978,142 | 5,825,306 | 5,980,728 | 5,980,728 | 5,980,728 |
| Payroll taxes | 527,046 | 519,873 | 707,984 | 647,227 | 664,825 | 664,825 | 664,825 |
| Benefits | 1,730,189 | 1,784,252 | 2,037,550 | 1,982,706 | 2,310,440 | 2,310,440 | 2,310,440 |
| Total personal services | 7,169,464 | 7,604,742 | 8,723,676 | 8,455,239 | 8,955,993 | 8,955,993 | 8,955,993 |
| Materials and services | | | | | | | |
| Professional & technical | 14,030,649 | 9,516,460 | 2,170,048 | 1,949,431 | 2,303,674 | 2,303,674 | 2,303,674 |
| Facility and equipment | 1,029,887 | 1,048,357 | 1,297,539 | 1,199,580 | 1,361,660 | 1,361,660 | 1,361,660 |
| Other purchased services | 864,438 | 963,122 | 1,180,559 | 1,053,053 | 1,238,909 | 1,238,909 | 1,238,909 |
| Supplies | 429,072 | 445,595 | 593,928 | 563,244 | 587,764 | 587,764 | 587,764 |
| Community activities | 66,295 | 39,619 | 58,628 | 60,528 | 57,195 | 17,195 | 17,195 |
| Minor equipment | 175,255 | 176,285 | 263,692 | 231,494 | 204,226 | 204,226 | 204,226 |
| Other materials & services | 224 | (72,782) | 47,772 | (7,120) | (86,990) | (86,990) | (86,990) |
| Total materials & services | 16,595,820 | 12,116,655 | 5,612,165 | 5,050,210 | 5,666,438 | 5,626,438 | 5,626,438 |
| Capital outlay | | | | | | | |
| Land | 415,947 | 17,634 | - | - | - | - | - |
| Infrastructure | 376,845 | 878,247 | 17,040,150 | 13,413,559 | 13,231,082 | 13,231,082 | 13,231,082 |
| Vehicles | 192,194 | 35,101 | 274,000 | 269,000 | 35,000 | 35,000 | 35,000 |
| Furniture and equipment | 94,930 | 117,434 | 645,196 | 446,996 | 385,923 | 385,923 | 385,923 |
| Total capital outlay | 1,079,916 | 1,048,417 | 17,959,346 | 14,129,555 | 13,652,005 | 13,652,005 | 13,652,005 |
| Debt service | | | | | | | |
| Principal | 2,329,162 | 1,587,760 | 1,336,863 | 11,336,863 | 1,667,291 | 1,677,291 | 1,677,291 |
| Interest | 1,254,284 | 662,243 | 704,355 | 704,355 | 1,313,989 | 1,299,738 | 1,299,738 |
| Issuance costs | 1,600 | 7,184 | - | 175,000 | - | - | - |
| Total debt service | 3,585,046 | 2,257,187 | 2,041,218 | 12,216,218 | 2,981,280 | 2,977,029 | 2,977,029 |
| Total expenditures | 28,430,247 | 23,027,000 | 34,336,406 | 39,851,222 | 31,255,716 | 31,211,465 | 31,211,465 |
| Other uses | | | | | | | |
| Transfers out | 1,722,507 | 1,092,622 | 664,500 | 740,410 | 1,411,898 | 1,411,898 | 1,411,898 |
| Ending Fund Balance | 20,679,980 | 20,235,520 | - | - | - | - | - |
| Contingency | | | 21,849,430 | 20,154,212 | 15,328,160 | 15,334,411 | 15,334,411 |
| Total uses | 50,832,734 | 44,355,141 | 56,850,336 | 60,745,844 | 47,995,774 | 47,957,774 | 47,957,774 |

FINANCIALS**BUDGET IN TOTAL BY FUND****Budget in Total by Fund**

| | 2011-12 Budget | General Fund | Asset Depreci- ation Fund | General Construction Fund | Debt Service Fund |
|----------------------------|-------------------|-------------------|---------------------------------|---------------------------------|-------------------------|
| SOURCES | | | | | |
| Beginning fund balance | 20,154,212 | 1,758,847 | 217,998 | 347,783 | 1,532 |
| Revenue | | | | | |
| Taxes | 5,252,578 | 4,364,578 | - | - | 888,000 |
| Francise Fees | 1,596,052 | 1,596,052 | - | - | - |
| Licenses and permits | 71,000 | 71,000 | - | - | - |
| Intergovernmental | 3,427,576 | 1,389,968 | - | - | - |
| Charges for services | 7,383,900 | 501,964 | - | - | - |
| Infrastructure development | 444,600 | 122,600 | - | 100,000 | - |
| Fines, interest and other | 1,717,125 | 1,646,475 | - | 24,750 | - |
| Total revenue | 19,892,831 | 9,692,637 | - | 124,750 | 888,000 |
| Other sources | | | | | |
| Transfers in | 1,411,898 | 253,998 | - | - | - |
| Issuance of long-term debt | 6,498,833 | - | - | - | - |
| Total other sources | 7,910,731 | 253,998 | - | - | - |
| Total sources | 47,957,774 | 11,705,482 | 217,998 | 472,533 | 889,532 |
| USES | | | | | |
| Expenditures | | | | | |
| Personal services | | | | | |
| Salaries and wages | 5,980,728 | 4,758,084 | - | - | - |
| Payroll taxes | 664,825 | 517,550 | - | - | - |
| Benefits | 2,310,440 | 1,833,962 | - | - | - |
| Total personal services | 8,955,993 | 7,109,596 | - | - | - |
| Materials and services | | | | | |
| Professional & technical | 2,303,674 | 1,202,518 | - | - | - |
| Facility and equipment | 1,361,660 | 766,436 | - | - | - |
| Other purchased services | 1,238,909 | 620,635 | - | - | - |
| Supplies | 587,764 | 342,232 | - | - | - |
| Community activities | 17,195 | 17,195 | - | - | - |
| Minor equipment | 204,226 | 174,854 | - | - | - |
| Other materials & services | (86,990) | (1,079,104) | - | - | - |
| Total materials & services | 5,626,438 | 2,044,766 | - | - | - |
| Capital outlay | | | | | |
| Infrastructure | 13,231,082 | 192,000 | - | - | - |
| Vehicles | 35,000 | 35,000 | - | - | - |
| Furniture and equipment | 385,923 | 334,923 | - | - | - |
| Total capital outlay | 13,652,005 | 561,923 | - | - | - |
| Debt service | | | | | |
| Principal | 1,677,291 | 164,273 | - | 36,120 | 705,000 |
| Interest | 1,299,738 | 36,529 | - | 12,021 | 182,897 |
| Total debt service | 2,977,029 | 200,802 | - | 48,141 | 887,897 |
| Total expenditures | 31,211,465 | 9,917,087 | - | 48,141 | 887,897 |
| Other uses | | | | | |
| Transfers out | 1,411,898 | 200,000 | 217,998 | - | - |
| Ending Fund Balance | - | - | - | - | - |
| Contingency | 15,334,411 | 1,588,395 | 0 | 424,392 | 1,635 |
| Total uses | 47,957,774 | 11,705,482 | 217,998 | 472,533 | 889,532 |

FINANCIALS**BUDGET IN TOTAL BY FUND****Budget in Total by Fund**

| | Street | Street | Enterprise Funds | | | |
|----------------------------|------------------|------------------|-------------------|------------------|------------------|----------------|
| | Operations Fund | Capital Fund | Water Fund | Sanitary Fund | Storm Fund | Telecom Fund |
| SOURCES | | | | | | |
| Beginning fund balance | 280,652 | 3,451,547 | 9,503,316 | 3,614,505 | 843,907 | 134,125 |
| Revenue | | | | | | |
| Taxes | - | - | - | - | - | - |
| Francise Fees | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | 901,200 | 25,000 | - | 761,408 | 350,000 | - |
| Charges for services | 530,000 | - | 4,201,200 | 512,736 | 1,360,000 | 278,000 |
| Infrastructure development | - | 150,000 | 66,000 | 3,000 | 3,000 | - |
| Fines, interest and other | - | - | 24,000 | 8,700 | 1,200 | 12,000 |
| Total revenue | 1,431,200 | 175,000 | 4,291,200 | 1,285,844 | 1,714,200 | 290,000 |
| Other sources | | | | | | |
| Transfers in | 229,000 | 783,900 | 25,000 | 50,000 | 60,000 | 10,000 |
| Issuance of long-term debt | - | - | 6,498,833 | - | - | - |
| Total other sources | 229,000 | 783,900 | 6,523,833 | 50,000 | 60,000 | 10,000 |
| Total sources | 1,940,852 | 4,410,447 | 20,318,349 | 4,950,349 | 2,618,107 | 434,125 |
| USES | | | | | | |
| Expenditures | | | | | | |
| Personal services | | | | | | |
| Salaries and wages | 191,616 | 123,144 | 427,764 | 227,304 | 235,092 | 17,724 |
| Payroll taxes | 27,969 | 11,726 | 49,517 | 26,240 | 30,262 | 1,561 |
| Benefits | 75,780 | 45,180 | 184,266 | 79,080 | 85,008 | 7,164 |
| Total personal services | 295,365 | 180,050 | 661,547 | 332,624 | 350,362 | 26,449 |
| Materials and services | | | | | | |
| Professional & technical | 35,704 | - | 854,508 | 35,508 | 165,396 | 10,040 |
| Facility and equipment | 416,500 | - | 91,312 | 24,240 | 25,216 | 37,956 |
| Other purchased services | 43,916 | 324 | 382,462 | 72,480 | 87,652 | 31,440 |
| Supplies | 60,756 | - | 134,488 | 12,188 | 23,100 | 15,000 |
| Community activities | - | - | - | - | - | - |
| Minor equipment | 1,008 | - | 8,004 | 1,508 | 8,852 | 10,000 |
| Other materials & services | 141,196 | 139,486 | 316,245 | 198,451 | 184,091 | 12,644 |
| Total materials & services | 699,080 | 139,810 | 1,787,019 | 344,375 | 494,307 | 117,080 |
| Capital outlay | | | | | | |
| Infrastructure | 588,000 | 3,439,800 | 7,007,750 | 1,403,329 | 600,203 | - |
| Vehicles | - | - | - | - | - | - |
| Furniture and equipment | - | - | - | - | 11,000 | 40,000 |
| Total capital outlay | 588,000 | 3,439,800 | 7,007,750 | 1,403,329 | 611,203 | 40,000 |
| Debt service | | | | | | |
| Principal | 57,517 | - | 501,470 | 54,642 | 158,269 | - |
| Interest | 1,864 | - | 1,054,103 | 1,771 | 10,552 | - |
| Total debt service | 59,381 | - | 1,555,573 | 56,413 | 168,821 | - |
| Total expenditures | 1,641,826 | 3,759,660 | 11,011,889 | 2,136,741 | 1,624,694 | 183,529 |
| Other uses | | | | | | |
| Transfers out | - | - | 240,000 | 323,900 | 230,000 | 200,000 |
| Ending Fund Balance | | | | | | |
| Contingency | 299,025 | 650,786 | 9,066,459 | 2,489,708 | 763,413 | 50,597 |
| Total uses | 1,940,852 | 4,410,447 | 20,318,349 | 4,950,349 | 2,618,107 | 434,125 |



General Fund

The General Fund is the main operating fund. It includes all resources not accounted for in other funds. General fund revenues can generally be used for any government purpose. The General Fund is split into departments which reflect city programs and managerial responsibilities. These are grouped into five divisions for purposes of appropriations.

The divisions are:

- Administration
- Public Safety
- Public Works
- Community Development
- Community Services

Property Tax Levies

There are three types of property tax levies in Oregon. The permanent rate levy funds general city operations. The debt service levy is used for principal and interest payments on general obligation bonds approved by the voters. Local option levies, which Sherwood currently does not have, are voter-approved, time-limited levies for specified purposes.

The Washington County Department of Assessment and Taxation determines assessed values and collects taxes. Property is assessed January 1 for the fiscal year beginning July 1. Taxes are due beginning November 15, and discounts are allowed for taxes paid in full by November 15.

Assessed Value

Each local government's tax rate was determined by the state in 1997. Sherwood's permanent rate is \$3.2975 per \$1,000 of assessed value. No action of the city can increase the permanent tax rate.

Ballot Measure 50, implemented in the 1997-98 tax year, limits assessed value to the lower of Maximum Assessed Value (MAV) or Real Market Value (RMV). Maximum Assessed Value increases by 3% annually.

There are exceptions to the 3% annual increase. Maximum Assessed Value may increase by more than 3% if:

- There is new construction or improvements
- The property is partitioned or subdivided
- Rezoning occurs and the property is used consistent with rezoning

Limits and Compression

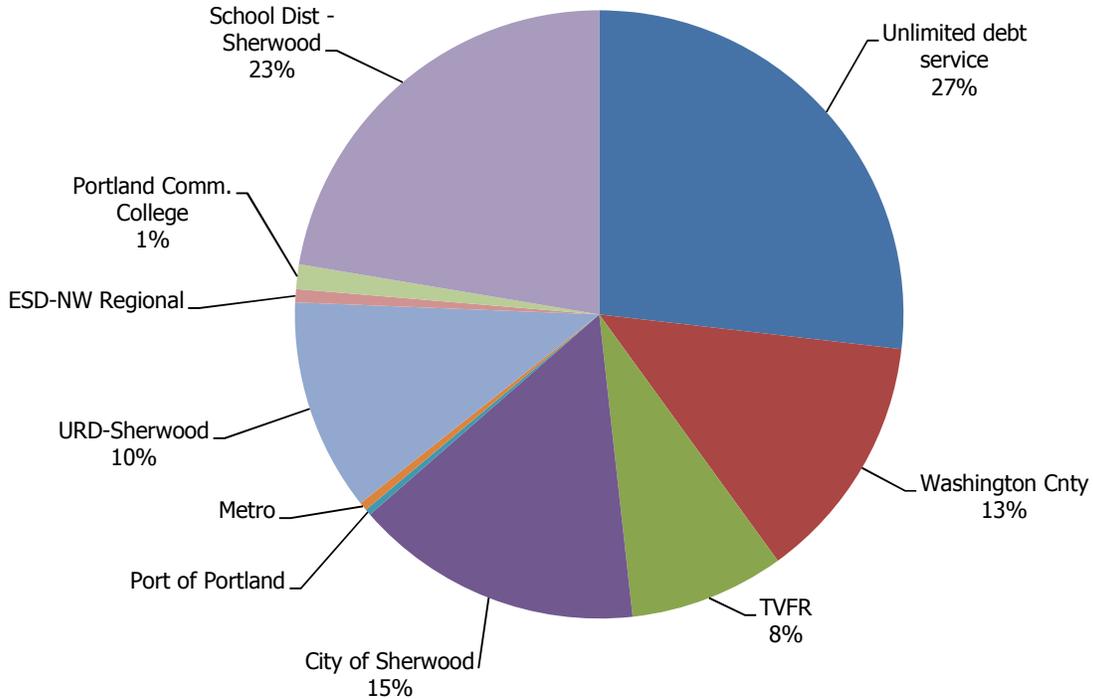
The total tax on a given piece of property is limited as follows:

- General Government: \$10 per \$1,000 of Real Market Value
- Schools: \$5 per \$1,000 of Real Market Value
- Unlimited debt service: levies to pay bonds for capital construction projects are not subject to limitation.

If the total tax bill exceeds the limits, taxes are reduced in a process called compression.

In 2010-11, Sherwood property owners paid tax as follows:

2010-11 Tax Levy Categories



Effect of the Sherwood Urban Renewal Agency

The Urban Renewal District is a geographic area within the City of Sherwood, defined in the Urban Renewal Plan. The purpose of the district is to eliminate blight and create an environment in which the private sector may develop uses consistent with the goals of the Urban Renewal Plan. The District borrows money to fund infrastructure and other improvements, receives property taxes calculated on the increased assessed values, and uses the taxes to pay debt service on the borrowings.

The URA began operations in 2001-02. The assessed value in the district was determined at that date and became the frozen base. In subsequent years, the incremental assessed value is the difference between the assessed value in the district and the frozen base. Each year, the URA receives property tax attributable to the incremental assessed value; the city general fund receives property tax attributable to the city's assessed value less the URA incremental value.

Property tax for the URA is a portion of the permanent rate levy for the city and each overlapping tax district, not an addition to it. The amount of tax for the URA is *determined* by the incremental assessed value in the Urban Renewal District, but the tax is *collected* by dividing the city's (and each taxing entity's) permanent rate levy. Thus, tax for the URA appears on each tax bill in Sherwood, not just those in the URD. Absent the URA, the tax would go to the City and other taxing districts -- but without urban renewal efforts and expenditures, the assessed values presumably would not have increased.

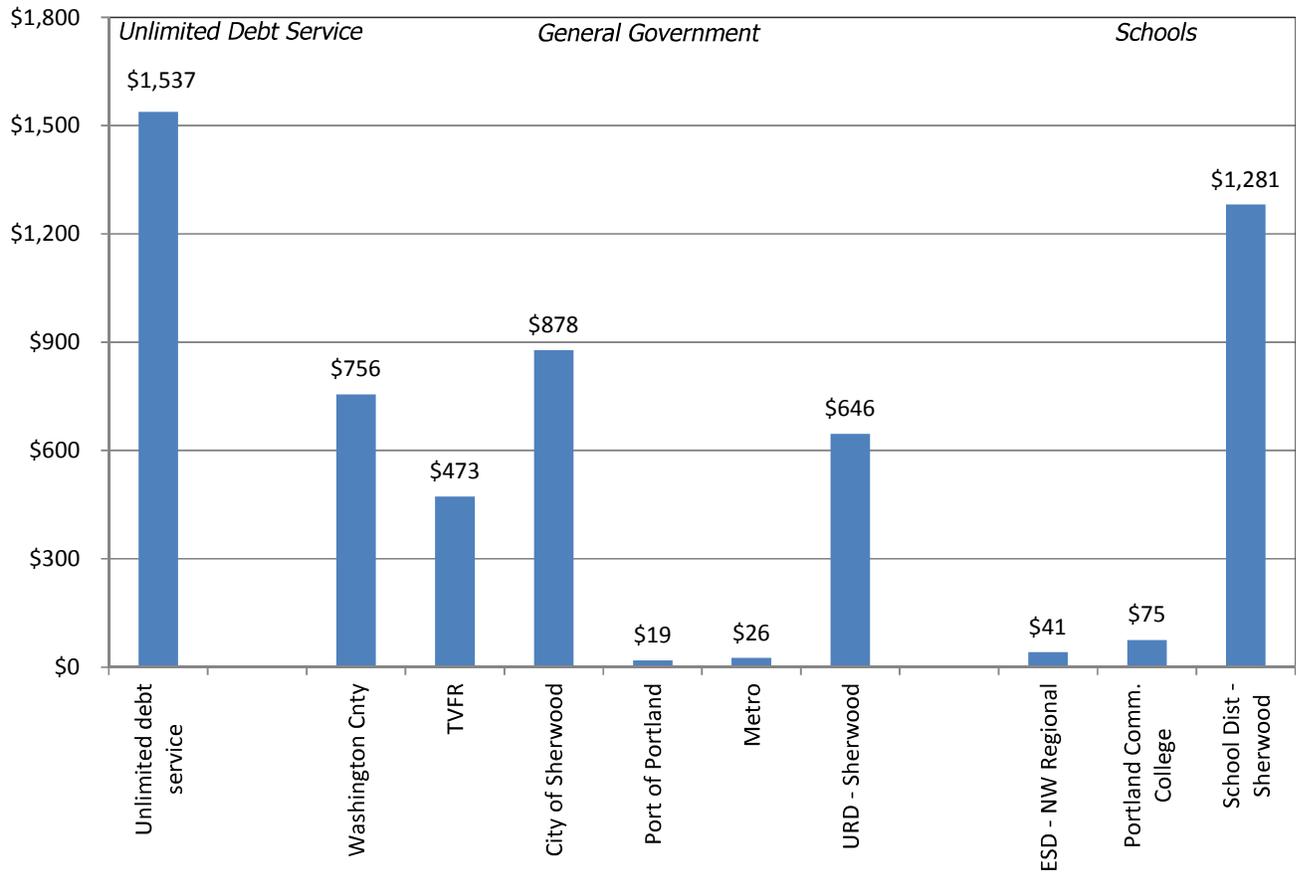
The URD will cease to exist after it has incurred and repaid the maximum indebtedness specified in the plan, \$35,347,600.

GENERAL GOVERNMENT

PROPERTY TAX LEVIES

2010-11 Tax

A Sherwood homeowner with an assessed value of \$300,000 would have paid \$5,731 in property taxes, as follows:



The City of Sherwood’s portion of unlimited debt service is \$184.44; the remainder is for other jurisdictions such as Tualatin Valley Fire, Sherwood School Dist., and Washington County.

Property Tax Levies

General Fund

| | |
|--|---------------------|
| Estimated Taxable assessed value (exclusive of URA incremental assessed value) | \$ 1,347,705,286 |
| Multiplied by the permanent rate | <u>0.0032975</u> |
| Levy | 4,444,058 |
| Plus tax on farmland previously deferred | - |
| Less amount uncollectable in the year levied | <u>(231,980)</u> |
| General fund FY11-12 property taxes | <u>\$ 4,212,078</u> |

Debt Service Fund

| | |
|--|-------------------|
| Levy | \$ 888,000 |
| Less amount uncollectable in the year levied | - |
| Debt service fund FY11-12 property taxes | <u>\$ 888,000</u> |

GENERAL GOVERNMENT

GENERAL FUND

General Fund in Total

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ (1,242,300) | \$ 898,753 | \$ 1,355,891 | \$ 1,862,794 | \$ 1,758,847 | \$ 1,758,847 | \$ 1,758,847 |
| Revenue | | | | | | | |
| Taxes | 3,880,855 | 4,039,542 | 4,265,554 | 4,154,250 | 4,364,578 | 4,364,578 | 4,364,578 |
| Franchise Fees | 1,392,530 | 1,578,593 | 1,509,706 | 1,547,651 | 1,596,052 | 1,596,052 | 1,596,052 |
| Licenses and permits | 82,359 | 83,009 | 71,600 | 71,600 | 71,000 | 71,000 | 71,000 |
| Intergovernmental | 3,285,072 | 1,315,052 | 1,502,306 | 1,339,076 | 1,389,968 | 1,389,968 | 1,389,968 |
| Charges for services | 658,267 | 465,738 | 462,422 | 519,333 | 501,964 | 501,964 | 501,964 |
| Infrastructure development | 36,617 | 114,396 | 166,024 | 103,100 | 122,600 | 122,600 | 122,600 |
| Fines, interest and other | 686,911 | 633,159 | 2,064,932 | 1,353,440 | 1,646,475 | 1,646,475 | 1,646,475 |
| Total revenue | 10,022,611 | 8,229,489 | 10,042,544 | 9,088,450 | 9,692,637 | 9,692,637 | 9,692,637 |
| Other sources | | | | | | | |
| Transfers in | 27,300 | 372,367 | - | - | 253,998 | 253,998 | 253,998 |
| Sale of fixed assets | 3,340,591 | 250,000 | - | - | - | - | - |
| Total other sources | 3,367,891 | 622,367 | - | - | 253,998 | 253,998 | 253,998 |
| Total sources | 12,148,202 | 9,750,609 | 11,398,435 | 10,951,244 | 11,705,482 | 11,705,482 | 11,705,482 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 4,051,524 | 4,224,480 | 4,656,336 | 4,549,807 | 4,758,084 | 4,758,084 | 4,758,084 |
| Payroll taxes | 444,197 | 410,202 | 540,058 | 495,657 | 517,550 | 517,550 | 517,550 |
| Benefits | 1,440,824 | 1,422,917 | 1,587,166 | 1,551,923 | 1,833,962 | 1,833,962 | 1,833,962 |
| Total personal services | 5,936,545 | 6,057,599 | 6,783,559 | 6,597,388 | 7,109,596 | 7,109,596 | 7,109,596 |
| Materials and services | | | | | | | |
| Professional & technical | 808,946 | 717,101 | 1,253,187 | 1,051,241 | 1,202,518 | 1,202,518 | 1,202,518 |
| Facility and equipment | 607,650 | 569,885 | 737,147 | 685,508 | 766,436 | 766,436 | 766,436 |
| Other purchased services | 449,649 | 375,792 | 574,150 | 492,321 | 620,635 | 620,635 | 620,635 |
| Supplies | 290,297 | 268,103 | 337,144 | 347,828 | 342,232 | 342,232 | 342,232 |
| Community activities | 66,247 | 39,619 | 58,328 | 60,228 | 57,195 | 17,195 | 17,195 |
| Minor equipment | 103,870 | 154,864 | 208,832 | 189,114 | 174,854 | 174,854 | 174,854 |
| Other materials & services | (549,285) | (695,397) | (1,069,387) | (984,018) | (1,079,104) | (1,079,104) | (1,079,104) |
| Total materials & services | 1,777,374 | 1,429,966 | 2,099,401 | 1,842,222 | 2,084,766 | 2,044,766 | 2,044,766 |
| Capital outlay | | | | | | | |
| Land | 264,000 | - | - | - | - | - | - |
| Infrastructure | 34,029 | 24,045 | 98,000 | 94,000 | 192,000 | 192,000 | 192,000 |
| Vehicles | 32,017 | 35,101 | 20,000 | 15,000 | 35,000 | 35,000 | 35,000 |
| Furniture and equipment | 66,960 | 104,839 | 382,200 | 204,000 | 334,923 | 334,923 | 334,923 |
| Total capital outlay | 397,006 | 163,986 | 500,200 | 313,000 | 561,923 | 561,923 | 561,923 |
| Debt service | | | | | | | |
| Principal | 987,647 | 136,596 | 146,068 | 146,068 | 164,273 | 164,273 | 164,273 |
| Interest | 697,691 | 50,416 | 43,718 | 43,718 | 36,529 | 36,529 | 36,529 |
| Total debt service | 1,685,338 | 187,012 | 189,786 | 189,786 | 200,802 | 200,802 | 200,802 |
| Total expenditures | 9,796,263 | 7,838,563 | 9,572,947 | 8,942,397 | 9,957,087 | 9,917,087 | 9,917,087 |
| Other uses | | | | | | | |
| Transfers out | 1,453,186 | 49,252 | 250,000 | 250,000 | 200,000 | 200,000 | 200,000 |
| Ending Fund Balance | 898,753 | 1,862,794 | - | - | - | - | - |
| Contingency | | | 1,575,488 | 1,758,847 | 1,548,395 | 1,588,395 | 1,588,395 |
| Total uses | 12,148,202 | 9,750,609 | 11,398,435 | 10,951,244 | 11,705,482 | 11,705,482 | 11,705,482 |

GENERAL GOVERNMENT**GENERAL FUND****General Fund in Total by Division**

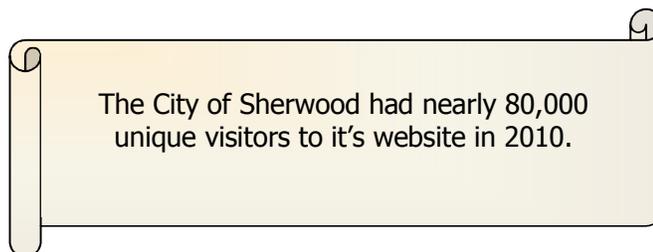
| | Administration | Community Development | Public Safety | Community Services | Public Works Operations | 2011-12 Budget |
|------------------------------------|-------------------|-----------------------|------------------|--------------------|-------------------------|-------------------|
| SOURCES | | | | | | |
| Beginning fund balance | 1,758,847 | - | - | - | - | \$ 1,758,847 |
| Revenue | | | | | | |
| Taxes | 4,364,578 | - | - | - | - | 4,364,578 |
| Francise Fees | 1,596,052 | - | - | - | - | 1,596,052 |
| Licenses and permits | 61,000 | - | 10,000 | - | - | 71,000 |
| Intergovernmental | 392,400 | 5,000 | 209,982 | 702,586 | 80,000 | 1,389,968 |
| Charges for services | 45,000 | 239,230 | 4,000 | 210,179 | 3,555 | 501,964 |
| Infrastructure development charges | - | 122,600 | - | - | - | 122,600 |
| Fines, interest and other | 1,570,975 | - | 27,500 | 33,000 | 15,000 | 1,646,475 |
| Total revenue | 8,030,005 | 366,830 | 251,482 | 945,765 | 98,555 | 9,692,637 |
| Other sources | | | | | | |
| Transfers in | 253,998 | - | - | - | - | 253,998 |
| Total other sources | 253,998 | - | - | - | - | 253,998 |
| Total sources | 10,042,850 | 366,830 | 251,482 | 945,765 | 98,555 | 11,705,482 |
| USES | | | | | | |
| Expenditures | | | | | | |
| Personal services | | | | | | |
| Salaries and wages | 1,125,312 | 564,648 | 1,881,036 | 662,364 | 524,724 | 4,758,084 |
| Payroll taxes | 96,099 | 54,752 | 240,164 | 58,422 | 68,113 | 517,550 |
| Benefits | 417,785 | 215,445 | 751,776 | 238,716 | 210,240 | 1,833,962 |
| Total personal services | 1,639,196 | 834,845 | 2,872,976 | 959,502 | 803,077 | 7,109,596 |
| Materials and services | | | | | | |
| Professional & technical services | 619,375 | 99,506 | 213,000 | 58,040 | 212,597 | 1,202,518 |
| Facility and equipment | 299,230 | 14,420 | 108,204 | 960 | 343,622 | 766,436 |
| Other purchased services | 417,951 | 34,918 | 100,668 | 28,336 | 38,762 | 620,635 |
| Supplies | 18,320 | 5,974 | 48,656 | 141,450 | 127,832 | 342,232 |
| Community activities | 9,200 | 195 | 2,500 | 3,000 | 2,300 | 17,195 |
| Minor equipment | 117,500 | 6,050 | 6,504 | 3,000 | 41,800 | 174,854 |
| Other materials and services | (951,284) | (128,820) | 1,000 | - | - | (1,079,104) |
| Total materials and services | 530,292 | 32,243 | 480,532 | 234,786 | 766,913 | 2,044,766 |
| Capital outlay | | | | | | |
| Infrastructure | - | - | - | - | 192,000 | 192,000 |
| Vehicles | - | - | 35,000 | - | - | 35,000 |
| Furniture and equipment | 192,441 | - | 142,482 | - | - | 334,923 |
| Total capital outlay | 192,441 | - | 177,482 | - | 192,000 | 561,923 |
| Debt service | | | | | | |
| Principal | 103,880 | - | - | 30,197 | 30,197 | 164,273 |
| Interest | 34,571 | - | - | 979 | 979 | 36,529 |
| Total debt service | 138,451 | - | - | 31,175 | 31,175 | 200,802 |
| Total expenditures | 2,500,380 | 867,088 | 3,530,990 | 1,225,463 | 1,793,165 | 9,917,087 |
| Other uses | | | | | | |
| Transfers out | 200,000 | - | - | - | - | 200,000 |
| Ending Fund Balance | - | - | - | - | - | - |
| Contingency | 1,588,395 | - | - | - | - | 1,588,395 |
| Total uses | 4,288,775 | 867,088 | 3,530,990 | 1,225,463 | 1,793,165 | 11,705,482 |
| Net sources (uses) | \$ 5,754,075 | \$ (500,258) | \$ (3,279,508) | \$ (279,698) | \$ (1,694,610) | \$ - |

GENERAL GOVERNMENT**ADMINISTRATION****Administration Division**

Administration provides leadership and support for all City functions including the City Council. Administration includes the City Council, City Recorder, City Manager, Assistant City Manager, Information Technology, Human Resources and Finance.

All general government revenue such as taxes and franchise fees are posted to the Administration.

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Adopted |
|-------------------------------|-------------------|-------------------|-------------------|----------------------|--------------------|
| Revenue | | | | | |
| Taxes | 3,880,855 | 4,039,542 | 4,265,554 | 4,154,250 | 4,364,578 |
| Franchise Fees | 1,392,530 | 1,578,593 | 1,509,706 | 1,547,651 | 1,596,052 |
| Licenses and Permits | 70,734 | 71,109 | 61,200 | 61,200 | 61,000 |
| Intergovernmental | 2,377,709 | 367,276 | 410,300 | 410,300 | 392,400 |
| Charges for Services | 26,554 | 32,028 | 25,300 | 37,740 | 45,000 |
| Infrastructure & Development | - | 300 | - | - | - |
| Other Revenue | 560,067 | 488,236 | 1,970,482 | 1,245,893 | 1,570,975 |
| Transfers in & Other Sources | 3,329,000 | 622,367 | - | - | 253,998 |
| Total revenue | <u>11,637,449</u> | <u>7,199,452</u> | <u>8,242,542</u> | <u>7,457,034</u> | <u>8,284,003</u> |
| Expenditures | | | | | |
| Personal services | 1,271,458 | 1,290,725 | 1,668,776 | 1,504,613 | 1,639,196 |
| Materials and services | (916,788) | (981,269) | (908,469) | (958,231) | 530,292 |
| Capital outlay | 330,960 | 103,065 | 127,800 | 40,000 | 192,441 |
| Debt service | 1,672,837 | 137,009 | 139,782 | 139,782 | 138,451 |
| Transfers out & Other Sources | 1,453,186 | 49,252 | 250,000 | 250,000 | 200,000 |
| Total expenditures | <u>3,811,652</u> | <u>598,782</u> | <u>1,277,889</u> | <u>976,165</u> | <u>2,700,380</u> |
| Net revenue (expenditures) | <u>7,825,797</u> | <u>6,600,670</u> | <u>6,964,653</u> | <u>6,480,869</u> | <u>5,583,623</u> |



City Manager

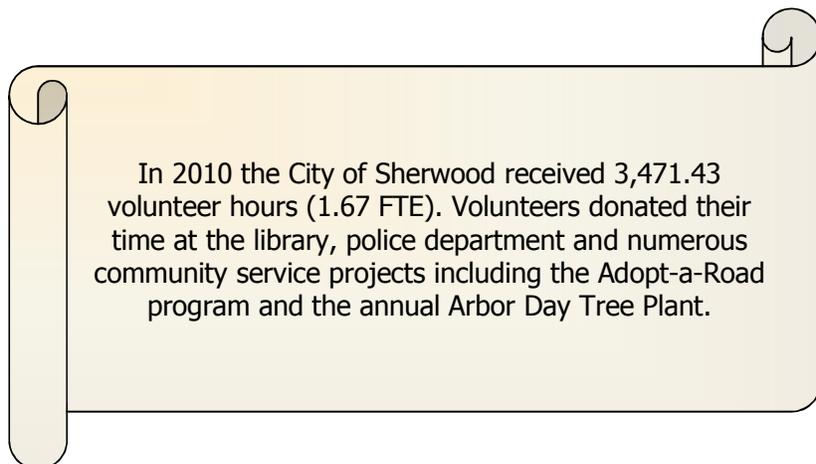
City Manager provides leadership, coordination and management for the City and is responsible for establishing general administrative policies that govern the operations of the city. The City Manager, with input from his Senior Management team, also supports and assists the Mayor and City Councilor’s in their roles as policy makers by providing accurate and timely information and appropriate policy alternatives. The City Manager as an appointed officer by the City Council also works closely with the other three appointed officers, the City Attorney, City Recorder and Municipal Court Judge. These appointed, contract employees also provides oversight for contracts, budget development, official records, legislative activities, public information and municipal elections.

2010-11 Accomplishments

- Received approval and adopted balanced budget by City Council for 2010-2011 budget.
- ¾ Completion of water pipeline to Wilsonville along with successful negotiation completion
- Approval of Cannery PUD and redevelopment started winter 2010
- Beginning of Municipal Code Clean Up process
- Continuing to improve Citizen Communication and outreach
- Completion of School District IGA, including newly constructed schools and facilities
- Renewal of WCCLS levy during November 2010 election by voters to provide funding for City of Sherwood Library
- Council approval, construction and implementation of Photo Red Light Cameras on Highway 99W to enhance safety.
- Public Works Director, recruited, hired and trained customer service representatives in water utility billing department after transition from TVWD.
- Successfully recruited and hired new Finance Director, February 2010.

2011-2012 Goals, Strategies, Values, Activities, and Performance Measures

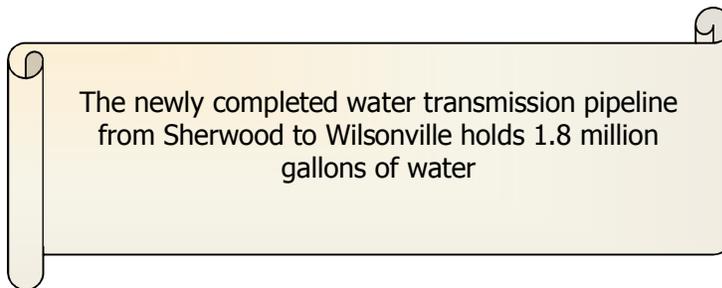
Oversee all divisions and departments in their efforts to meet the City’s goals.



Assistant City Manager

The Assistant City Manager functions as the operations officer for the City Manager, monitoring City activities and projects to assure timely coordination and completion. The Assistant City Manager oversees the Human Resources Division, Finance, Information Technology and the Urban Renewal District. This role also makes recommendations to the City Manager for policies and procedures and City wide budget development and implementation.

The Assistant City Manager position is again unfunded for fiscal year 2011-2012.



City Council and Recorder

The seven-member City Council is composed of an elected Mayor and six elected Councilors. The Council members serve a four year term and the Mayor serves two years. The City Council is the legislative branch of our local government which is responsible for setting policies. This is accomplished through the adoption of ordinances and resolutions. City Council meets in regular monthly meetings. In addition Council work sessions are held to study upcoming issues. The City Recorder is responsible for the management of City records and provides administrative support to the Council.

2010-11 Accomplishments

- Established table of Council Records on City website, continue working to populate table
- Obtained CMC, Certified Municipal Clerks Certification from the International Institute of Municipal Clerks, continuing education to obtain MMC, Master Municipal Clerk Certification
- Continued recognition of Student Academic and Athletic Achievements and Eagle Scouts Awards
- Expanded program with Boy Scouts of America in support of scouts working towards earning Merit Badges

2011-2012 Goals, Strategies, Values, Activities, and Performance Measures

The City of Sherwood, **City Recorder** supports all City departments in achieving the Goals of the City by supporting the values identified as important by City leaders.

Value: *The City of Sherwood Values and Promotes Quality Services & Fiscal Responsibility*

Strategies:

Develop and Implement a Records Management program

Activities:

- Provide staff training on records management, writing legislation and Code amendments, keep staff apprised of new Oregon Administrative Rules
- Coordinate Records Management Day at all City facilities
- Prepare records for Records Archive Room, creating electronic records, review retention dates, prepare records for destruction and abide by Oregon Administrative Rules
- Manage Requests for Records
- Record documents with local government agencies
- Responsible for maintaining the Sherwood Municipal Code and managing the public link via the City website

Performance Measures:

- Responded to and filled 50+ Request for Records
- Coordinated and oversaw 15+ amendments to the Municipal Code

City Council and Recorder

Value: *The City of Sherwood Values and Promotes Quality Services & Citizen Participation*

Strategies:

Provide excellent support to the City Council.

Activities:

- Prepare Council & URA Board agenda’s and meeting materials
- Prepare and post public notices
- Prepare legislation for adoption
- Transcribe meeting minutes
- Ensure meeting records are complete and accurate
- Manage all correspondences of elected officials
- Serve as contact person for elected officials
- Coordinate annual student achievement awards
- Coordinate monthly Boy Scout and Girl Scout achievement awards
- Support Boys Scouts of American earning of Merit Badges
- Produce and manage City Council/City Recorder annual budget

Performance Measures:

- Coordinated 2 monthly City Council meetings and URA Board meetings as needed, prepare materials and transcribe meeting minutes
- Prepare 100+ pieces of legislation per year for City Council & URA Board
- Recognized 200+ Students for Academic and Athletic Achievements

Serve as the City Elections Official

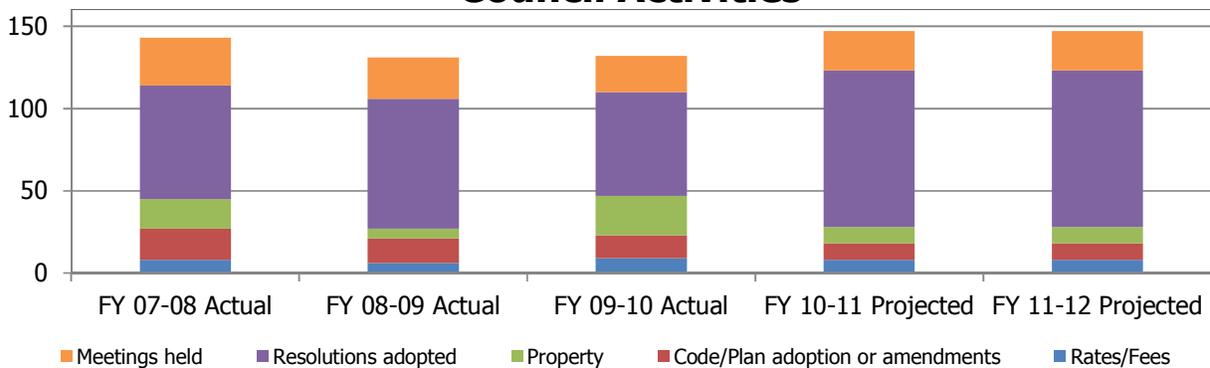
Activities:

- Coordinate and oversee City elections
- Abide by Oregon Election Laws
- Prepare ballot measures
- Ensure proper public noticing
- Canvass election results and record with County Elections Office

Performance Measure:

- Successfully coordinate 1 City Election in 2011-12

Council Activities



Information Technologies

The Information Technologies department provides technical support, troubleshooting and maintenance of computer hardware and software used by the city. The department operates and maintains the network, servers, phone systems, Sherwood Broadband, and Sherwood public access channel. This department also manages software licensing, assists departments in improving service through effective use of technology and provides training to staff.

2010-11 Accomplishments

- Added and enhanced several features on the website (E-News, Meeting Resources, Forms/Surveys, etc.)
- Improved the cable access channel by adding a bulletin board feature and Planning Commission videos.
- Achieved roughly 60k in savings by renegotiating contracts and service modifications.
- Continued server and storage consolidation, achieving significant cost savings and added efficiencies.
- Developed a Network Master Plan that outlines configuration, policy and equipment changes to support the current and future needs of the city.
- Replaced 50 desktop computers and updated our operating environment and word processing applications.
- IT staff developed several applications "in house" resulting in significant savings and added efficiency to the City.

2011-2012 Goals, Strategies, Values, Activities, and Performance Measures

The City of Sherwood Information Technology Department supports all the technical needs of the employees of Sherwood along with support to the Sherwood Broadband utility and its customers.

Value: *The City of Sherwood Values and Promotes Quality Services*

Strategies:

Continue IT Service Management improvements

Activities:

- Develop automated workflows for common IT processes
- Increase the amount of end user documentation
- Build upon the current IT knowledge management system
- Increase the development of IT policies and standards

Performance Measure:

- Help Desk satisfaction rate

Information Technologies

Value: *The City of Sherwood Values and Promotes Community Pride*

Strategies:

Enhance the community information presented on the website and cable access channel

Activities:

- Synchronize community information on both the website and cable access channel
- Complete visual improvements to the cable access channel
- Improve the citizen services on the website through the use of online forms.

Performance Measure:

- Visitors to the city's website and average time spent on the site

Value: *The City of Sherwood Values and Promotes Fiscal Responsibility*

Strategies:

Continue current server and storage consolidation efforts

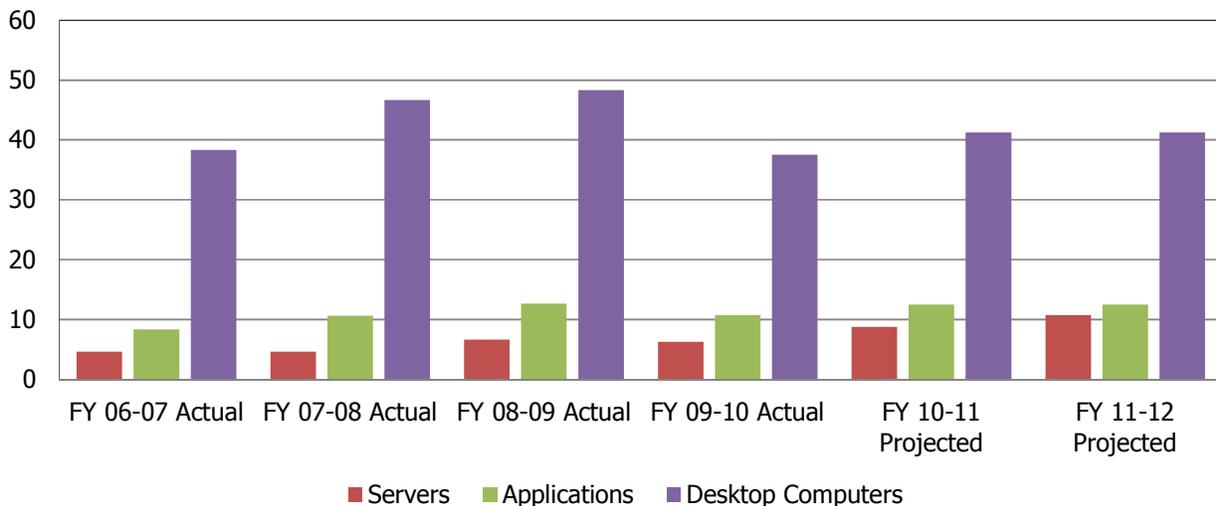
Activities:

- Implement Disaster Recovery Plan recommendations into our server and storage systems.
- Continue to migrate all city data to the consolidated storage system.
- Deploy a long term (archival) storage solution that supports the city's Disaster Recovery Plan and current server/storage system.

Performance Measure:

- Server consolidation ratio and percentage of servers virtualized.

Number of Systems Supported per IT FTE



Human Resources & Risk Management

The Human Resource Department provides personnel support for all City employees. This department also includes recruitment, training and development, benefit and compensation, and salary classifications and is responsible for managing and updating The City of Sherwood Employee Manual and Employee Policies. Manages two union contracts and leads employee advocacy. Risk Management is responsible for managing the policies and processing claims for workers' compensation, property, auto and equipment and liability insurance. This department also reviews and manages the City's benefit package to insure the best possible rates and protection for employees at a reasonable rate.

2010-11 Accomplishments

- Retain, recruit and train a top quality work force.
- Manage all lines of insurance coverage for the City.
- Proactive Risk Management.
- Lead in employee advocacy.

2011-2012 Goals, Strategies, Values, Activities, and Performance Measures

The City of Sherwood Human Resource Department goals are the **Values** identified as important by City leaders.

Value: *The City of Sherwood Values and Promotes Fiscal Responsibility*

Strategies:

Develop and Implement a fiscally responsible Risk Management Plan

Activities:

- Create and implement Risk Management Tools.
- Promote a safe work environment by providing proper training and ergonomic work place for employees.
- Manage Workers' Compensation Claims and promote an "Early Return to Work" plan.
- Provide employee safety training for improved on the job safety.

Performance Measures:

- 100% of all workers comp claims will participate in an "early return to work" plan.
- All divisions are represented on the City of Sherwood safety committee
- Safety committee will meet monthly.

Activities:

- Continue using Assessment Center processes for qualifying applicants.
- Promote a healthy and productive work environment with on-going incentive plans.
- Manage employee health benefit plans and programs that are cost effective.
- Employee Advocacy through maintaining a positive work environment with employees and unions. Implementing positive evaluations for employee feedback.

Performance Measures:

- At least 90% of employees will participate in the wellness survey during benefit enrollment

Human Resources & Risk Management

Value: *The City of Sherwood Values and Promotes Quality Services*

Strategies:

Develop and Implement Employee Training

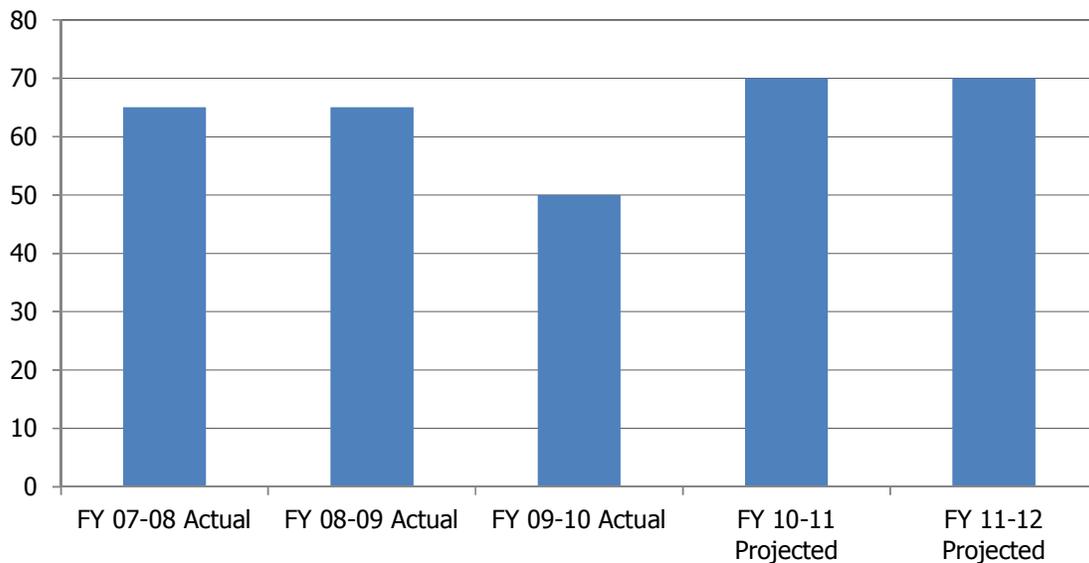
Activities:

- Create an On-Line Employee Orientation and Training Tool.
- Organize on-site training for employees and management.
- Attend Risk Management, Employee Relations and Policy Training Seminars to keep up to date on HR Trends.
- Work with Manager/Supervisors and Directors to motivate and further train employees on all aspects of the job functions, team work, customer service and time management. Adding additional training topics throughout the year as needed.

Performance Measures:

- Implementation of employee online training program
- Conduct quarterly training for employees on wellness related topics
- Attend 90% of the HR Forum meetings

Average Hours of Training per FTE



Finance

The Finance department provides financial information, oversight and management. Finance is responsible for the annual budget, annual audit, debt management, payroll, cash management, reception, and accounts payable. Municipal Court is part of the Finance Department, and is responsible for processing all citations and violations issued by the Sherwood Police Department.

2010-11 Accomplishments

- Received the GFOA Budget Award for Fiscal Year 2010-2011.
- Implemented Photo Red Light processing into Court operations
- Upgraded the city’s financial software system
- Created new fiscal policies with the Budget Committee
- Met all CAFR deadlines

2011-2012 Goals, Strategies, Values, Activities, and Performance Measures

The City of Sherwood Finance Department supports all other departments in achieving the Goals of the City by **Supporting** the **Values** identified as important by City leaders.

Value: *The City of Sherwood Values and Promotes Fiscal Responsibility*

Strategies:

Develop and implement a fiscally responsible budget

Activities:

- Budget preparation and monitoring
- Process receipts, purchasing, payments and deposits

Performance Measures:

- Receive the GFOA Budget Award
- Process all cash receipts within 48 hours of receipt
- All vendors are paid within 30 days of receipt of invoices

Comply with State Auditing Guidelines

Activities:

- Prepare work papers and coordinate Comprehensive Annual Financial Report

Performance Measure:

- Meet all statutory requirements and deadlines with preparing the CAFR

Update and maintain the City’s Payroll System

Activities:

- Review and process time sheets
- Process all Federal and State Tax Reporting
- Update and Maintain PERS reporting requirements

Performance Measure:

- All employees are paid on time and all statutory requirements are met.

Finance

Develop and Implement City Financing and Investment portfolios

Activities

- Monitor Bank and LGIP accounts
- Develop and implement financing arrangements for City projects

Performance Measure:

- A funding plan will be identified for all City projects prior to the projects start dates

Value: *The City of Sherwood Values and Promotes Quality Services*

Strategies:

Provide excellent reception services for customers at City Hall

Activities:

- Maintain knowledge of City departments and staff
- Assist customers with information referrals
- Assist customers with applicable forms and applications.

Performance Measures:

- All phone calls are responded to within 24 hours
- Have staff available for Business License questions during all operating hours

Develop and Maintain Customer Oriented Court Administration

Activities:

- Import and track citations
- Process arraignment and trial sessions
- Assure compliance with Oregon Statutes and Administrative Rules

Performance Measures:

- All phone calls are responded to within 24 hours
- Mail correspondence is responded to within 5 days of receipt

Community Development Division

To provide overall management and administrative support for the City’s Community Development Division. This division includes planning, engineering, and building. Community Development strives to provide efficient, consistent, and seamless private and public development services.

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Adopted |
|------------------------------|-------------------|-------------------|-------------------|----------------------|--------------------|
| Revenue | | | | | |
| Intergovernmental | 126,476 | 148,631 | 52,110 | 58,010 | 5,000 |
| Charges for Services | 413,768 | 200,652 | 247,882 | 241,554 | 239,230 |
| Infrastructure & Development | 36,617 | 114,096 | 166,024 | 103,100 | 122,600 |
| Other Revenue | (0) | - | 150 | 150 | - |
| Transfers in & Other Sources | 38,891 | - | - | - | - |
| Total revenue | 615,752 | 463,379 | 466,166 | 402,814 | 366,830 |
| Expenditures | | | | | |
| Personal services | 929,730 | 861,974 | 831,795 | 917,212 | 834,845 |
| Materials and services | 562,076 | 412,025 | 426,731 | 379,950 | 32,243 |
| Total expenditures | 1,491,806 | 1,274,000 | 1,258,526 | 1,297,162 | 867,088 |
| Net revenue (expenditures) | (876,055) | (810,621) | (792,360) | (894,348) | (500,258) |

The first known building code, or rules for construction, where enacted in Babylon in 1792 BC. They consisted of six rules found in sections 228-233 of "Hammurabi's Code of Laws". Modern day building codes now consist of multiple volumes of provisions.

Community Development Division

2011-2012 Goals, Strategies, Values, Activities, and Performance Measures

The City of Sherwood Community Development Department provides quality current and long range planning, building and engineering services to support the infrastructure, livability, well-being and economic development of the community.

Value: *The City of Sherwood Values and Promotes Fiscal Responsibility*

Strategies:

Ensure that staff is efficient and effective in providing highest high level of customer service and development review.

Activities:

- Track time spent on activities including customer service

Performance Measures

- Timecards are completely filled out and reviewed by manager

Value: *The City of Sherwood Values and Promotes Quality Services*

Strategies:

Provide excellent customer services for citizen, developers and customers at City Hall

Activities:

- Assist customers with applicable forms and applications
- Provide prompt response to phone calls, e-mails and in-person inquiries
- Attend trainings as necessary and appropriate to ensure continued knowledge in the field
- Provide over the counter assistance whenever possible
- Process applications in a timely manner
- Refine public involvement process to be more clear and inclusive

Performance Measure

- 100% of all Type III and IV applications have first public hearing within 6-8 weeks
- 100% of all Type II applications have decision issued within 8 weeks
- 100% of all Type 1 permits processed within 2 weeks
- Track and resolve all issues in a database format.

Provide efficient processes for developers.

Activities:

- Prepare forms, applications and instructions as necessary
- Maintain and provide current City Codes and Standards in a user friendly format
- Assure compliance with adopted current Statewide and Regional codes and Standards

Community Development Division

Performance Measure

- Keep stock of forms and applications available in the lobby at all times.
- Adopt current Statewide and Regional codes when required

Goal: Public Safety: “The City of Sherwood will provide for the safety and security of the community and its citizens.”

Strategies:

Require projects to follow up to date Codes and Standards to ensure public safety

Activities:

- Maintain and provide current City Codes and Standards
- Assure compliance with adopted current City, Statewide and Regional Codes and Standards through land use and plan review and inspection.
- Design projects to comply with all Codes, Standards and Applicable Permits

Performance Measure

- Stock forms and applications in the lobby at all times.
- Adopt current Statewide and Regional codes when required

Respond to inquiries and requests from public for traffic control changes.

Activities:

- Respond to initial inquiries and requests in a timely fashion and document citizens’ concerns and request.
- Review and research citizen inquiries and requests using current standards, practices, and policies.
- Inform citizens of outcome of reviews in a timely fashion.

Performance Measure

- Respond to all inquiries with the Public Works and Public Safety Divisions
- Track all requests with issues database

Goal: Infrastructure: “The City of Sherwood will provide and maintain infrastructure for its citizens to live, work and play.”

Strategies:

Develop Capital Improvement Programs to ensure infrastructure is available for citizens and development

Activities:

- Prepare Capital Improvement Plans
- Prepare and Update Master plans
- Provide recommendations for financial plans to ensure funds are available to create and maintain infrastructure

Community Development Division

Performance Measure

- Include Capital improvement plan items in current budget
- Update all Master plans according to schedule outlined in plan or earlier as necessary.
- Update methodologies for system development charges and fees.
-

Design and Construct Capital Projects in a timely manner to allow orderly development

Activities:

- Adams Avenue South
- Adams Avenue North
- Oregon Street Railroad Crossing Improvement
- Area 54/55 Upper Ladd Hill Regional Stormwater Facility
- Columbia Street Regional Stormwater Facility
- Brookman Area Sanitary Sewer Conveyance System Extension Phase 1 and Phase 2
- Pine Street Phase 2 Construction
- Street Maintenance Projects
- Rock Creek Trunk Mainline Capacity Upgrade

Goal: Livability: “The City of Sherwood will provide opportunity for responsible community development and growth.”

Strategies:

Develop and implement plans for undeveloped areas in the Urban Growth Boundary for implementation and for areas of potential re-development

Activities:

- Annexation of Area 54/55 Brookman
- Annexation of Area 48 Industrial Area
- Town Center Plan
- 99W corridor plan

Performance Measure

- Successfully annex areas into the City of Sherwood
- Develop plans for adoption by Council (this will likely extend beyond FY 11-12)

Work with Regional Partners to develop consistent plans that will benefit Sherwood and the surrounding communities

Activities:

- Urban Growth report and potential UGB expansion
- SW Corridor Planning
- Comprehensive Plan Periodic Review
- TSP update

Performance Measure

- Adopt measures that will implement regional decisions into City Codes and Plans.

Community Development Division

Review existing development code to ensure development continues to reflect community values

Activities:

- Review sign code (wall signs, temporary signs)
- Review park and open space requirements
- Tree Code (removal and mitigation) updates
- Public improvements
- Residential land division
- Parking lot design and landscaping standards
- Capacity Allocation Program
- Density clarification for PUD, multi-family and mixed use
- PUD process and standards
- Comprehensive housekeeping code update

Performance Measure

- Hold meetings with Planning Commission Council and Public.
- Adopt ordinances that address issues as approved by Council.

Goal: Resident Well Being: “The City of Sherwood will facilitate the provision of services to encourage a balanced quality of life for its citizens”

Strategies:

Work with Regional Partners to provide amenities consistent with the Transportation and Park Master Plans

Activities:

- Participate with partners on the Toquin Trail Master Plan
- Apply for applicable funds for street, bike and pedestrian facilities
- Cedar Creek Trail
- Stella Olsen Park Restroom Facilities

Performance Measure

- These projects will span multiple years. Make consistent progress.

Goal: Economic Development: “The City of Sherwood will promote responsible economic development which benefits the community.”

Strategies:

Provide Infrastructure for City owned lands to stimulate economic development

Activities:

- Cannery Public Infrastructure
- Tannery Site Acquisition and Development

Planning

The Planning Department is responsible for guiding, updating, and implementing the Comprehensive Plan, the long-range planning tool of the community, which envisions the design and function of Sherwood’s built and natural environments. The essential duties of the Department are current planning, such as development review, permitting, and enforcement of the City’s zoning code; long range planning that entails updates to the Comprehensive Plan and master planning; and special projects developed by the City Manager’s Office and the Planning Commission, such as policy evaluation and site analysis. This year’s budget reflects the continuation of the above technical services along with specific projects.

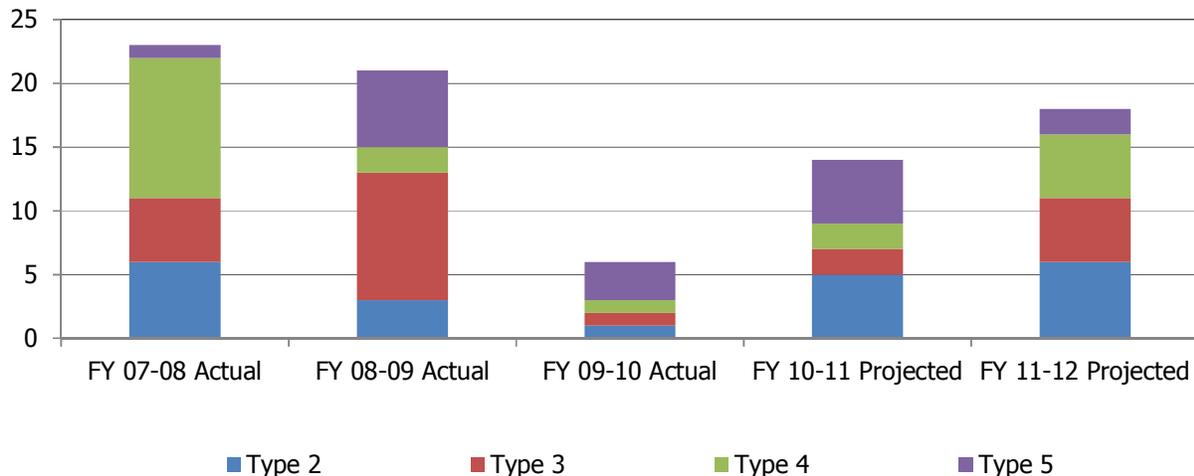
2010-11 Accomplishments

- Annexation of Adams Avenue north concept plan area
- Development and adoption of Tonquin Employment Area Concept Plan
- Continued to process the majority of land use applications within 6-8 weeks
- Continued participation on the Tonquin Trail Master Plan in coordination with Metro, Wilsonville, Tualatin, Clackamas County and Washington County.
- Continued coordination and participation with regional partners on issues of regional and local importance.
- Started multi-phase code clean-up project and completed amendments to: increase public notice; require neighborhood meetings; streamline the application submittal process; and complete basic housekeeping amendments.
- Amended the development code to extend the land use approval timeframes due to the economic downturn

Land Use Applications Processed

Type 2 applications are staff level decisions. Generally these are more straight forward and smaller in size.
 Type 3 applications require a public hearing and decision by a Hearings Officer.
 Type 4 applications require a public hearing and decision by the Planning Commission.
 Type 5 applications require a legislative decision made by the City Council after a public hearing and recommendation from the Planning Commission and a public hearing at the Council level as well.

Land Use Applications Processed



Building

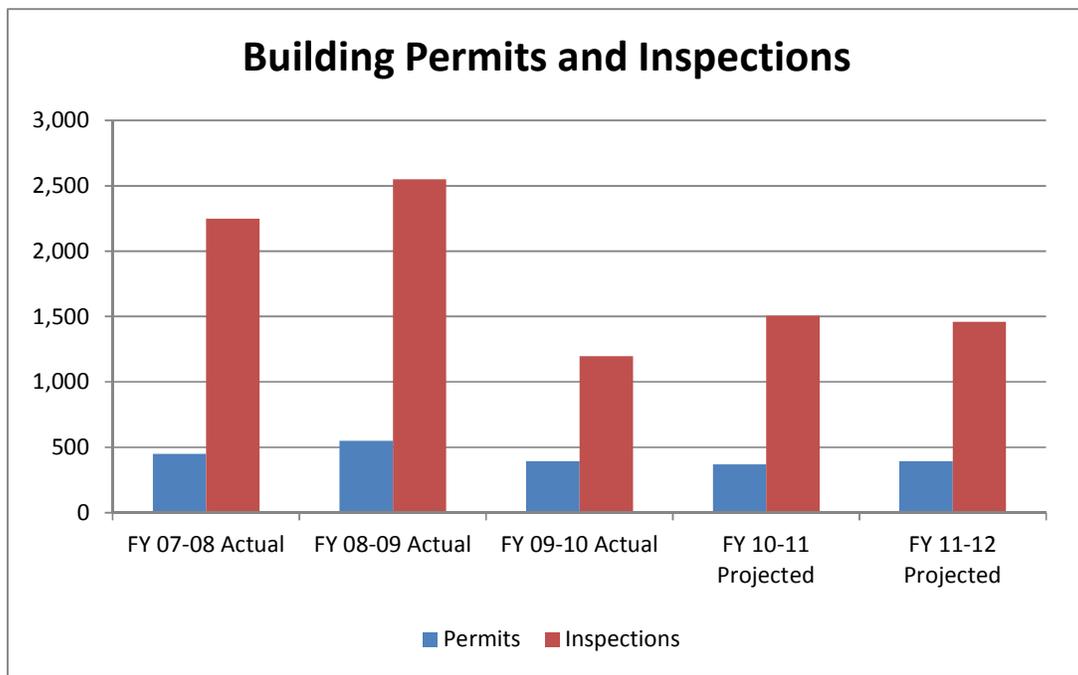
The Building Department’s responsibilities are to review and approve plans, issue permits, and perform inspections for new construction in compliance with the State of Oregon’s building, mechanical, and plumbing codes. The Department assists the public with information relevant to the City’s building and development codes, works with local jurisdictions and builders in order to improve the construction standards in the city, and provide efficient service and information to the construction industry and the public.

2010-11 Accomplishments

- As a team we completed all required plan reviews/inspections and issued final approvals for new additions/remodels to Sherwood High School, Sherwood Middle School, and Hopkins Elementary School.
- Completed required plan review/inspections and issued occupancy approvals for 11 new single family dwellings (through January 2011).
- Completed required plan review/inspections for the new St. Francis library and gymnasium addition.
- We have continued to provide excellent, knowledgeable customer service to people planning any type of construction in Sherwood.
- We have continued to educate the public concerning permit requirements and the benefits permits provide in protecting their property and their safety.
- As a group submitted several articles to local publications with helpful information regarding when and why permits are needed.

FTE per year to process permits and inspections

| FY 07-08 Actual | FY 08-09 Actual | FY 09-10 Actual | FY 10-11 Projected | FY 11-12 Projected |
|-----------------|-----------------|-----------------|--------------------|--------------------|
| 4 | 3.5 | 3.5 | 2.75 | 2.25 |

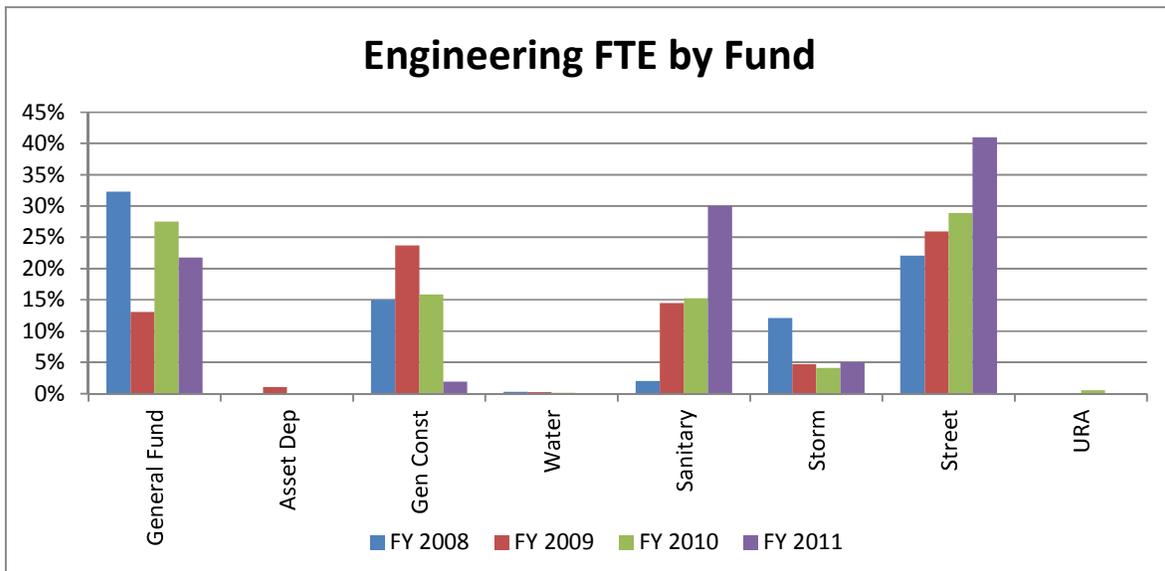


Engineering

The Engineering Department plans, designs, and oversees construction of the City’s Capital Improvement Projects (CIP’s), which include streets, storm water systems, sanitary sewer systems, water systems, and park facilities. The Department is also responsible for review and approval of all private development projects that include installation of public infrastructure as part of the development. The Department conducts inspection on the construction of public infrastructure projects to ensure that these facilities meet the City’s standards for materials and installation. The Department issues right-of-way permits for all work performed within the public right-of-way, and oversee erosion and sediment runoff control on any construction activity within the City.

2010-11 Accomplishments

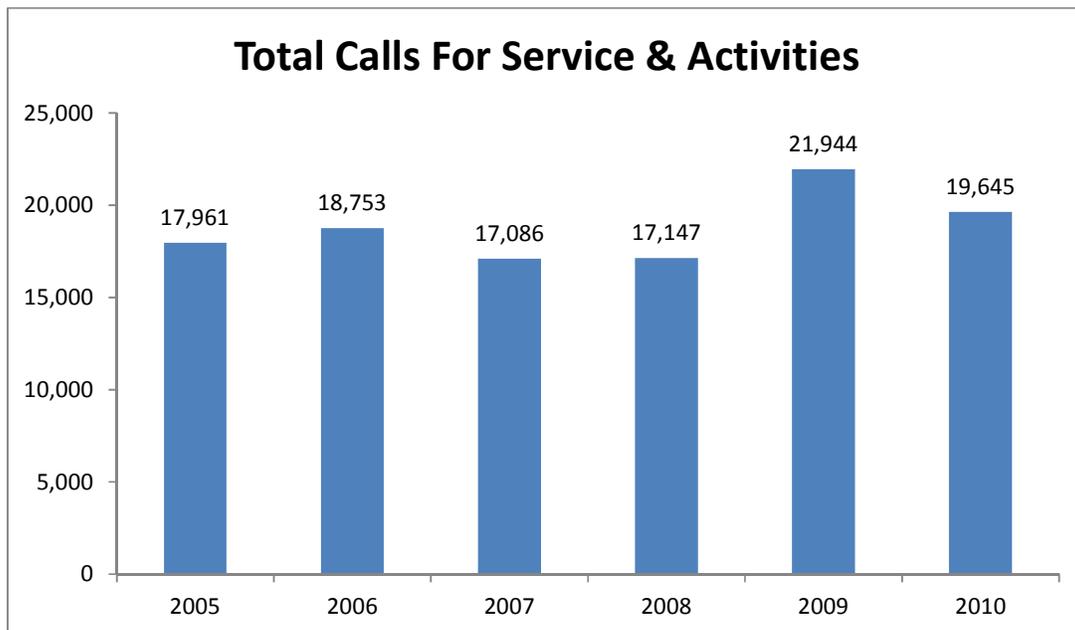
- Completed in-house design and construction management of the Brookman Area Sanitary Sewer Downstream Upgrade project on time and under budget.
- Began in-house design of the Brookman Area Phase 1 Sanitary Sewer Extension project which will serve the Brookman expansion area to the south of the City.
- Obtained approval from PUC for negotiating a right-of-way dedication from PGE for the North Adams Avenue project.
- Completed design management and construction of the Sherwood Senior Center Parking Lot.
- Completed in-house design and construction of the Washington Street storm drainage and street pavement rehabilitation project on time and within budget.
- Completed construction of the SW Sherwood Boulevard paving overlay project funded through the American Recovery and Reinvestment Act of 2009 (ARRA), between 1st and Langer Drive.
- Completed design and entered into construction of the South Adams Avenue street project. This project includes the Oregon Street railroad crossing rehabilitation project work.
- Provided technical design review and comment for the City on the Sherwood Cannery site development project, and the Cannery Plaza project.
- Responded to several citizen requests for no parking signage installations. Performed technical analysis and installed signage as appropriate.
- Completed in-house design and managed construction bidding process for several Public Works street maintenance paving projects.
- Coordinate development of the 5-year CIP Master Plan document.
- Provided review and approval for several private development projects within the City.



Public Safety Division

The Division of Public Safety coordinates all public safety services for the Sherwood Community. Public Safety includes all law enforcement and emergency operations services delivered through the Police Department. The Public Safety Division’s focus is to work with our statewide, regional and community partners on developing a coordinated and integrated approach that allows for the most efficient delivery of public safety services.

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Adopted |
|-----------------------------------|--------------------|--------------------|--------------------|----------------------|--------------------|
| Revenue | | | | | |
| Licenses and Permits | 11,625 | 11,900 | 10,400 | 10,400 | 10,000 |
| Intergovernmental | 16,961 | 61,951 | 190,600 | 91,815 | 209,982 |
| Charges for Services | 3,218 | 3,394 | 3,000 | 5,500 | 4,000 |
| Other Revenue | 39,365 | 6,131 | 26,500 | 24,800 | 27,500 |
| Total revenue | 71,168 | 83,376 | 230,500 | 132,515 | 251,482 |
| Expenditures | | | | | |
| Personal services | 2,388,532 | 2,456,338 | 2,641,967 | 2,611,787 | 2,872,976 |
| Materials and services | 1,420,627 | 1,239,781 | 1,615,439 | 1,515,760 | 480,532 |
| Capital outlay | 31,899 | 45,474 | 194,400 | 95,000 | 177,482 |
| Total expenditures | 3,841,057 | 3,741,593 | 4,451,806 | 4,222,547 | 3,530,990 |
| Net revenue (expenditures) | (3,769,889) | (3,658,217) | (4,221,306) | (4,090,032) | (3,279,508) |



Public Safety Division**Vision**

The men and women of the Sherwood Police Department are committed to becoming a highly respected police agency that will exemplify the pinnacle of law enforcement. We will strive to be technically superior and constantly evolving. We will become an agency of destination for professional law enforcement officers. We will remain flexible while keeping ahead of growth and we will establish ourselves as pacesetters in the law enforcement community.

Mission

“The City of Sherwood Police Department is dedicated to providing a safe and secure environment and preserving the quality of life for its citizens and community.”

We accomplish the above mission by establishing and maintaining effective law enforcement services for the City through a focused application of Community Policing.

The police department is comprised of three (3) organizational sections;

- The Administration Section is managed by the Chief of Police and provides overall leadership, direction and guidance for the police department. This includes policy development, budget development and accountability, community and city involvement, regional involvement, labor relations, Chaplaincy and Emergency Management. The Administrative Section includes the Chief of Police, two (2) Police Captains, Emergency Management Coordinator and administrative staff.
- The Patrol Section is managed by a Police Captain and provides leadership, direction and supervision of the daily operations of the police department. These operations include patrol services, traffic enforcement services, tactical response and preparation, community activities and events, police canines and police reserves.
- The Support Section is managed by a Police Captain and provides leadership, direction and supervision of the support functions of the police department. These functions include special investigation services, juvenile services, property and evidence, training, records and information systems, professional standards, public information, human resource and hiring liaison, risk management and mitigation and code compliance.

Values

The City of Sherwood Police Department Values and Promotes:

Integrity - Upright in action and resolute in conviction.

Professionalism - Character, competence, proficiency and training.

Accountability - Responsible, self-disciplined and transparent.

Reliability - Vigilant, responsive and steadfast.

Courage - Strength in the face of danger or uncertainty.

Compassion - Understanding, human and kind.

Public Safety Division**2010-11 Accomplishments**

- Created increased operational efficiency through the reallocation of department staffing
- Implemented an Information Technology application for all critical internal systems
- Maintained supervisory coverage and availability 100% of the time
- Responded to 100% of all traffic complaints
- Participated in 100% of community events
- Completed quarterly emergency operations exercises

2011-12 Goals, Values, Strategies and Activities

The City of Sherwood Police Department supports the **Public Safety** and **Resident Well Being** Goals established by City leaders.

Goal: *The City of Sherwood will provide for the safety and security of the community and its citizens*

Strategies:

Provide effective department leadership and critical systems oversight.

Activities:

- Provide effective leadership and direction from all levels of supervision, including Sergeants, Captains and the Police Chief
- Further implement and improve critical internal systems
- Further develop and improve opportunities for public information and participation

Performance Measures:

- Leadership Team will allocate specific time for subordinate employee interaction and development as follows; Chief 15%, Captains 25%, Sergeants 50%
- Provide short-term leadership opportunities & experience to future leaders
- Distribute a minimum of 24 information releases regarding police activity

Provide for responsive and preventative patrol services and community response.

Activities:

- Recruit, Hire and retain competent police officers
- Deploy adequate staffing levels of 3 FTE 24 hours a day
- Further develop and implement crime prevention programs
- Implement a Municipal Court Diversion program for appropriate offenders

Performance Measures:

- Reach an FTE staffing ratio of 1.7 per thousand
- Further implement and expand the Community Watch program.
- Develop a Community Academy

Public Safety Division

Provide for effective and responsive traffic safety.

Activities:

- Maintain effective traffic safety staffing
- Implement child safety initiatives
- Provide traffic crash response and investigation

Performance Measures:

- Respond to 100% of traffic safety complaints
- Conduct a minimum of two (4) child safety seat inspection clinics

Provide for effective and responsive support services.

Activities:

- Maintain a specialized investigative unit and capabilities
- Establish and staff an effective School based policing program with SRO
- Maintain and improve internal in-service training and instructor development

Performance Measures:

- Allocate 50% of one (1) Detective to local and regional drug investigations
- Provide 60 hours of annual in-service training
- Provide one full time FTE at Sherwood High School

Maintain a well-trained city staff that is able to respond in an effective, comprehensive and community based approach to emergency management and preparedness.

Activities:

- Facilitate ongoing NIMS compliant training for all city staff
- Facilitate advanced training for EOC General Staff

Performance Measures:

- Conduct a minimum of two (2) basic level ICS training classes
- Facilitate advanced training for General Staff

Goal: *The City of Sherwood will facilitate the provision of services to encourage a balanced quality of life for its citizens.*

Strategies:

Respond to life safety concerns.

Activities:

- Provide community caretaking services
- Respond to medical calls
- Facilitate emergency social services

Public Safety Division

Performance Measures:

- Maintain relevant certifications and response capabilities to issues of life safety and community caretaking
- Maintain partnerships with local vendors for emergency social services

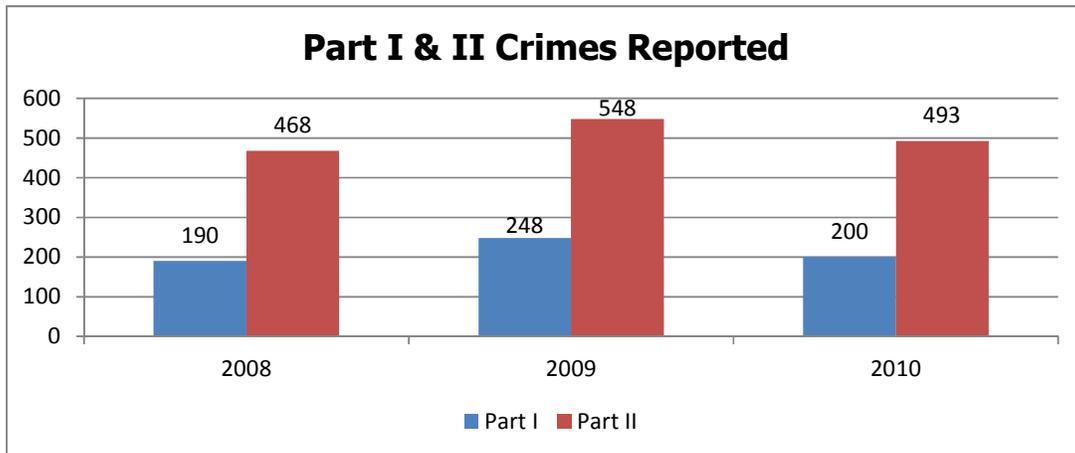
Engage and partner with community groups and activities.

Activities:

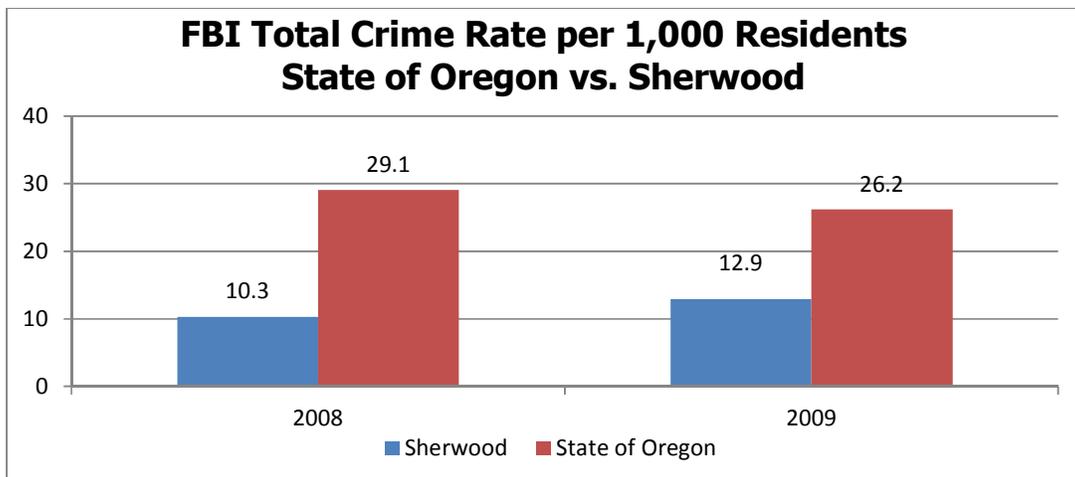
- Provide leadership in the planning and coordination of community events
- Participate in civic organizations
- Maintain support for Oregon Special Olympics

Performance Measures:

- Develop Incident Action Plans for all community events that exceed 10 hours or 1,000 attendees



Part 1 Crimes are primarily felonies that endanger people. Part 2 Crimes are primarily misdemeanors or offenses that pose less threat of immediate harm.



Community Services Division

The Community Services Department encompasses Library services, the Sherwood Old Town Field House operations, volunteer services, field and gym scheduling, and the coordinating and planning of various cultural activities and events. As part of the Washington County Cooperative Library Services (WCCLS), the Sherwood Library provides access to resources from all 12 County libraries as well as regional, national, and international sources. The Sherwood Old Town Field House is an indoor soccer facility that offers soccer leagues, facility rentals and field time for a variety of sports and activities.

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Adopted |
|-----------------------------------|-------------------|-------------------|-------------------|----------------------|--------------------|
| Revenue | | | | | |
| Intergovernmental | 663,427 | 683,162 | 711,349 | 688,951 | 702,586 |
| Charges for Services | 210,022 | 219,466 | 182,685 | 195,873 | 210,179 |
| Other Revenue | 34,384 | 38,134 | 33,000 | 36,000 | 33,000 |
| Total revenue | 907,833 | 940,762 | 927,034 | 920,824 | 945,765 |
| Expenditures | | | | | |
| Personal services | 800,555 | 878,387 | 920,216 | 870,851 | 959,502 |
| Materials and services | 590,885 | 538,444 | 707,168 | 629,115 | 234,786 |
| Debt service | 6,250 | 25,002 | 25,002 | 25,002 | 31,175 |
| Total expenditures | 1,397,691 | 1,441,832 | 1,652,385 | 1,524,968 | 1,225,463 |
| Net revenue (expenditures) | (489,858) | (501,071) | (725,351) | (604,144) | (279,698) |

From May – December 2010, 28 Special Event Permits were processed. The type of community events included:

- 6 Runs/Walks
- 5 Festivals
- 5 Block Parties
- 2 Theater Performances
- 2 Bike Rides
- 2 Car Shows
- 2 Parades (not included in festivals)
- 1 Farmer’s Market, Street Sale, Wedding, Concert Series and Movie Series

Library

The Sherwood Library strives to meet the community's informational, educational, cultural and recreational needs through appropriate and useful resources and programs and equitable service policies and access. The Library makes every effort to operate in the most effective and efficient manner possible and continuously seeks to improve and expand services which promote the use of the library, encourage an informed citizenry, and respond to community needs. As a member of Washington County Cooperative Library Services, the Sherwood Library provides access to materials from all WCCLS member libraries as well as regional, national, and international sources.

2010-11 Accomplishments

- Washington County Cooperative Library Services levy approved – offering renewed funding from the County through June 2016
- Over 8% increase in circulation of material
- Continued significant trend in patrons registered (over 1400 new patrons during 2010)
- Volunteer program allows staff greater opportunity to develop and offer additional programs and services (17 library programs in 2010, up from two in 2008) with the library receiving over 1480 volunteer hours (equivalent to 0.71 FTE)
- Collection size has increased to exceed the recommended Oregon Library Association "adequate" number of volumes per capita
- Over 13,000 community members attended seven weekly story times, the annual Summer Reading Program and other programs in 2010
- Quality services provided by an experienced and dedicated staff
- Supportive and engaged advocates in the Library Advisory Board and Friends of the Library
- Library received several grants including Ready to Read, Oregon Humanities (both for Conversation Project and Oregon Poet Laureate) and Cultural Coalition of Washington County grant for Oregon Symphony Story times.

2011-2012 Goals, Strategies, Values, Activities, and Performance Measures

Goal: *Resident Well Being: The City of Sherwood will facilitate the provision of services to encourage a balanced quality of life for its citizens.*

Strategies:

Provide quality Library Services

Activities:

- Provide a diverse collection of materials and resources
- Increase circulation, add new patron card holders and strengthen collection size
- Develop a stable funding strategy for Library Services
- Maximize use of volunteers in the Library
- Offer new and innovative programming opportunities such as Oregon Symphony Storytimes

Performance Measures:

- Provide 60 hours of library service a week
- Utilize 1500 hours of volunteer time
- Serve 1350 local children through the Summer Reading Program

Library

Provide excellent customer service

Activities:

- Maintain a knowledgeable and trained staff
- Assist customers with information and referrals
- Provide 60 hours of Library services each week

Performance Measures:

- Provide regular training opportunities for staff
- Respond to virtual queries within 24 hours

Provide an opportunity for citizens to partake in cultural and community events and activities

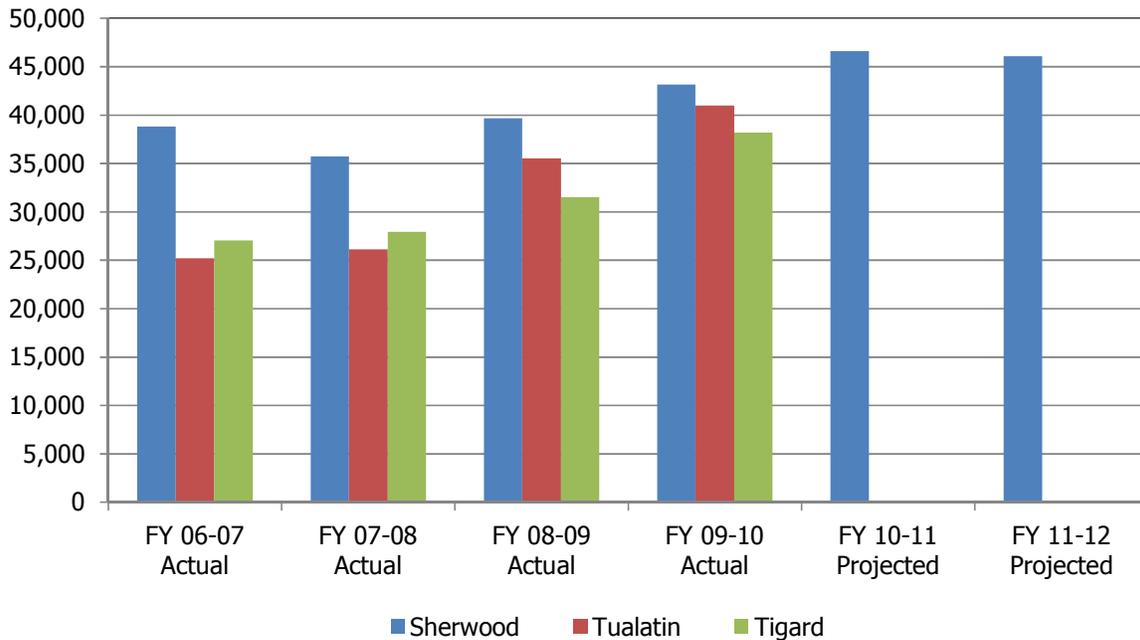
Activities:

- Partner with the local groups such as the Friends of the Sherwood Library to provide opportunities and events

Performance Measures:

- Provide six programs annually through local partnerships

Library Circulation per FTE



Field House

The Sherwood Old Town Field House opened in 2004 and offers a large indoor arena featuring state-of-the-art "AstroPlay" turf. The City of Sherwood built the Field House to help serve the recreation needs of its community. The Field House hosts a wide array of activities including include soccer, football, softball, and lacrosse. The Field House is also available for private rentals, birthday parties, pre-school play, dances, company picnics, and sports clinics.

2010-11 Accomplishments

- Served 28,000 people.
- Maintained steady revenue stream in spite of a weak economy.
- Partnered with Honoring Game to Offer Lacrosse leagues.
- Offered 3 mornings each week of preschool play during the school year
- Rented the facility for home school P.E. during non-peak hours

2011-2012 Goals, Strategies, Values, Activities, and Performance Measures

Goal: *Resident Well Being: The City of Sherwood will facilitate the provision of services to encourage a balanced quality of life for its citizens.*

Strategies:

Provide quality recreation opportunities for the citizen of Sherwood

Activities:

- Operate the Old Town Field House
- Offer league play for youth and adults
- Rent the facility to groups for private rentals and birthday parties

Performance Measures:

- Serve 28,000 people
- Increase Youth leagues 10%

Provide excellent customer service to those that visit the Field House

Activities:

- Maintain a knowledgeable and trained staff
- Assist customers with information and referrals

Performance Measures:

- Respond to all customer service calls within 24 hours
- Provide 8 hours of training to full-time staff

The phrase most said on pre-school play days at the Fieldhouse is “mom, look at all the balls”.

Recreation and Event Services

The Community Services Department is responsible for planning and implementing recreation and cultural activities, volunteer services, and coordinating events such as Music on the Green and acting as a liaison to the YMCA, the Senior Center and other community groups.

2010-11 Accomplishments

- Added lighting under stage cover at Stella Olsen Park amphitheater
- Completed Senior Center parking lot and interior improvements
- Coordinated practice and game space for 11 different sport leagues (over 300 teams)
- Volunteers contributed a total of 3,471 hours of service
- Collected over \$10,000 in sponsorships for Music on the Green
- Secured presenting sponsor for Movies in the Park
- Managed, developed, implement city-wide special events including Music on the Green, the Community Services Fair, Missoula Children's Theatre and Movies in the Park
- Volunteers spent 300 hours removing invasive species and planting trees for Arbor Day
- Completed conceptual design for the Skate Park

2011-2012 Goals, Strategies, Values, Activities, and Performance Measures

Goal: *Resident Well Being: The City of Sherwood will facilitate the provision of services to encourage a balanced quality of life for its citizens.*

Strategies:

Provide an opportunity for citizens to partake in recreation, cultural and community events and activities

Activities:

- Coordinate the Music on the Green summer concert series
- Coordinate Movies in the Park
- Partner with the Sherwood Cultural Arts Commission, Sherwood Foundation for the Arts, Robin Hood Festival Association, Sherwood Historical Society to provide opportunities and events such as Missoula Children's Theatre and the Robin Hood Festival
- Schedule all the gyms and fields
- Offer opportunities for citizens to volunteer

Performance Measures:

- Provide 3,500 hours of volunteer work
- Raise \$10,000 in sponsorship for Music on the Green
- Add restrooms to Stella Olsen Park

GENERAL GOVERNMENT**COMMUNITY SERVICES****Grant Requests**

| Organization | 2010-11 Adopted | | 2011-12 Requested | | 2011-12 Adopted |
|---|-----------------|---------------------|-------------------|----------|-----------------|
| | Cash | In-Kind (Actual) | Cash | In-Kind | Cash |
| Robin Hood Festival | \$16,000 | \$11,878 | \$17,000 | \$12,000 | \$0 |
| Holiday Tree Lighting & Parade | | \$8,480 | | \$8,500 | |
| Cruisin | | \$9,863 | | \$10,863 | |
| Song Bird Festival | | \$2,072 | \$5,000 | \$2,100 | \$0 |
| Run for the Roses | | \$300 | | \$300 | |
| Sherwood Senior Citizens Inc. | \$8,000 | | \$1,000 | | \$0 |
| Loaves and Fishes | | | \$5,000 | | \$0 |
| Raindrops To Refuge | \$7,000 | | \$9,000 | | \$0 |
| Sherwood Foundation for the Arts | \$2,500 | \$2,500 | \$1,500 | \$3,000 | \$0 |
| Sherwood Historical Society | | \$35,000 | \$12,000 | | \$0 |
| Community Action | \$2,000 | | \$5,000 | | \$0 |
| Faith in Action | \$1,000 | | \$1,000 | | \$0 |
| Sherwood Charter School | | | \$940 | | \$0 |
| Sherwood Family Triathlon (YMCA/Charter School) | | | \$2,000 | | \$0 |
| TOTAL | \$36,500 | \$70,093 | \$59,440 | \$36,763 | \$0 |

Public Works

The Public Works Division is responsible for operation and maintenance activities of the City's infrastructure. Maintenance includes: water, sewer, storm, streets, parks, sport fields, facilities and fleet.

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|--------------------|
| Revenue | | | | | |
| Intergovernmental | 100,500 | 54,032 | 137,947 | 90,000 | 80,000 |
| Charges for Services | 4,705 | 10,198 | 3,555 | 38,666 | 3,555 |
| Other Revenue | 53,095 | 100,658 | 34,800 | 46,597 | 15,000 |
| Total revenue | 158,300 | 164,888 | 176,302 | 175,263 | 98,555 |
| Expenditures | | | | | |
| Personal services | 546,271 | 570,176 | 720,805 | 692,924 | 803,077 |
| Materials and services | 120,573 | 220,984 | 258,533 | 275,628 | 766,913 |
| Capital outlay | 34,148 | 15,447 | 178,000 | 178,000 | 192,000 |
| Debt service | 6,250 | 25,002 | 25,002 | 25,002 | 31,175 |
| Total expenditures | 707,242 | 831,608 | 1,182,341 | 1,171,554 | 1,793,165 |
| Net revenue (expenditures) | (548,942) | (666,720) | (1,006,039) | (996,291) | (1,694,610) |

A regular incandescent light bulb lasts 750 to 1,500 hours compared to a compact fluorescent light bulb that lasts about 10,000 hours.

Public Works Administration

The Administration Division is responsible to provide leadership and management in the support of the strategic plans, objectives, values and goals.

2010-11 Accomplishments

- Continue to provide rental offices to four tenants.
- Provided training to all Public Works employees for continued growth opportunities.
- Responded to all emergency after-hour calls.
- Track all work using work order system.
- Prepare and oversee implementation of each division budget.
- Continue to work with regional partners (solid waste, emergency management, debris removal, water, wastewater, storm, streets and fleet).
- Provided upgraded technology to allow each division to work more efficiently.
- Started updating of storm and sanitary maps in GIS System.
- Completed EDU/ESU Audit.
- Completed and negotiated several bid proposals for maintenance projects, equipment and consulting services.

2011-12 Goals, Values, Strategies, Activities, and Performance Measures

Goal: *"The City of Sherwood will provide and maintain infrastructure for its citizens to live, work and play."*

Strategies

Administrative: Provide leadership and management in support of city strategic plans, objectives, values and goals.

Activities

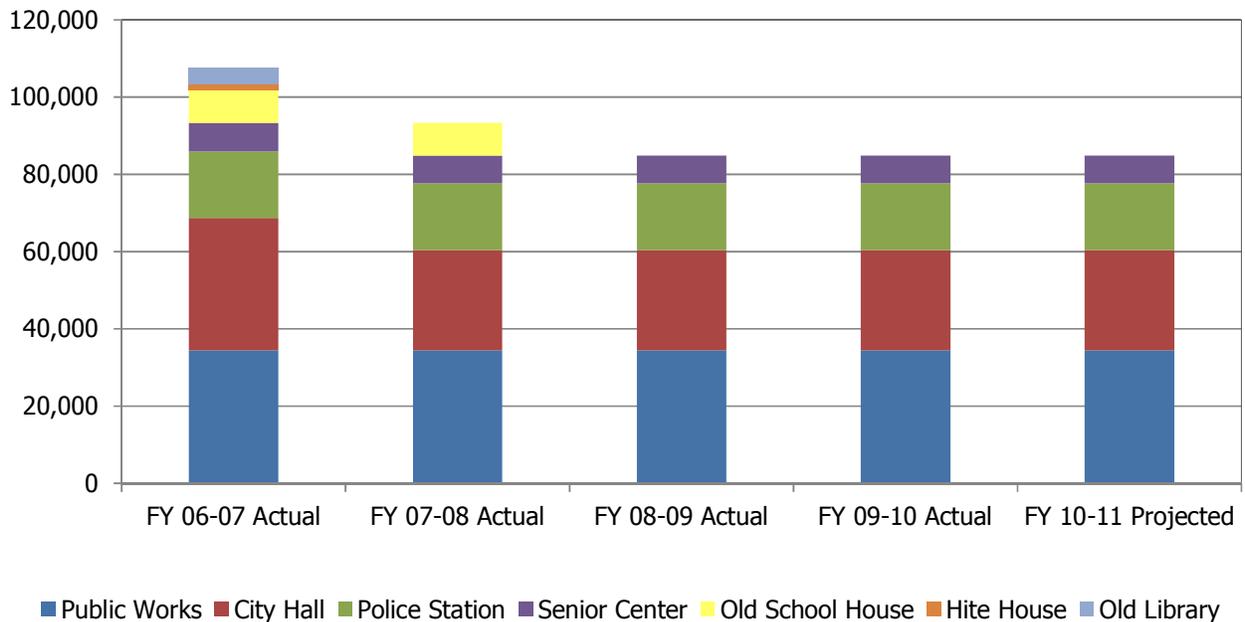
- Asset Management Accountability. Maintain accurate accounting records of all work activities and track labor, equipment and material expenditures for each activity or project as pertains to all assets.
- Provide staff support and resources to enable each division to meet goals.
- Prepare and oversee implementation of each division's budget.
- Support and oversee the city-wide geographic information system (GIS).
- Continue to improve the asset management work order system (HANSEN).
- Continue participation of city-wide emergency management training plan and participate at county level.
- Provide management and administrative support to the public works department for water distribution, wastewater collection, street maintenance, stormwater maintenance, parks, fleet/facility maintenance.
- Continue to work at state and regional levels for Public Works related partnerships.
- Provide emergency on-call assistance for public works.
- Provide educational outreach for our citizens of Sherwood on water conservation and other programs (leaf program, recycling, paving program) or concerns to the city relative to public works.

Public Works Administration

Performance Measures

- Will maintain rental offices at Sherwood Office Complex.
- Public Works will continue to train staff to NIMS compliance and will meet with regional partners to plan for emergency events.
- Will respond to all emergency after-hour calls.
- Will track all work for accountability through asset management system (work orders).
- Will complete and stay within the approved budget.
- Negotiate with regional partners.
- Will continue to provide accurate data to citizens, regional partners and all city staff.
- Will continue to look for regional water partnerships.
- Provided City wide GIS support.

Square Footage of Buildings Maintained by Public Works



Fleet and Facilities

The Fleet and Facilities Division is responsible for the environmental health, safety, operation maintenance and repair of all city facilities, vehicles and equipment.

2010-11 Accomplishments

- Completed annual requirements for reporting to State.
- Completed weekly building inspections.
- Renegotiated janitorial contract (savings of \$7,000.00) and negotiated other contractual work.
- Completed set up and take down for Kids Reading, City Council, Planning Commission and Court 258 times last year.
- Completed maintenance and repairs on 643 vehicles and/or equipment.
- Purchased 100% of budgeted equipment.

2011-12 Goals, Values, Strategies, Activities, and Performance Measures

Goal: *“The City of Sherwood will provide and maintain infrastructure for its citizens to live, work and play.”*

Strategies

Fleet and Facilities: The Fleet Division is responsible for maintenance and repair of city vehicles and equipment with an emphasis on safety, cost effectiveness and dependability. The Facilities Division will provide clean, safe, well-maintained environmentally-efficient city facilities for employees and the public.

Activities

- Ensure city-owned facilities are maintained in accordance to city, state and federal regulations.
- Fleet (equipment, vehicles) is replaced when it is determined by its age, condition, operations and maintenance cost, and depreciation, which is no longer economical to keep. This is referred to the life expectancy of the equipment.
- Maintain vehicles and equipment to support city-wide departments.
- Purchase vehicles and equipment.

Performance Measures

- Annual reporting to State for boiler system, elevators, etc.
- Will inspect city buildings weekly and will perform maintenance as needed.
- Will inspect contractual work.
- Will complete over 200 meeting set up and take downs during the year.
- Complete maintenance and repairs on all city vehicles and equipment.
- Complete purchase all equipment and vehicles per approved budget.

Parks

The Parks Division maintains the parks, trail systems and athletic fields for the City.

2010-11 Accomplishments

- Completed weekly playground inspections.
- Completed trash pickup four times a week during peak usage.
- Maintained 7,280 irrigation heads this past year.
- Completed striping of athletic fields for schools and leagues.
- Completed 132 park reservations this past year.
- Replaced 345 sq. yds. of asphalt on city trail system.
- Provided 7-day/week staffing coverage during peak season.
- Completed weekly mowing for parks and athletic fields for 40 weeks out of the year.

2011-12 Goals, Values, Strategies, Activities, and Performance Measures

Goal: *“The City of Sherwood will provide and maintain infrastructure for its citizens to live, work and play.”*

Strategies

Maintain the parks, trail systems and athletic fields for the citizens of Sherwood and other visitors.

Activities

- Maintain all city park areas and facilities in a safe, clean, attractive and affordable manner by using responsible and efficient procedures.
- Work with independent contractors to ensure contract agreements are followed and that work progresses smoothly.
- Managing the City’s irrigation system through a computerized software program (Calsense), which maximizes water efficiency.
- Maintain and repair artificial turf.
- Provide park reservations.
- Maintain trail systems.

Performance Measures

- Will provide weekly playground inspections at all city playground locations.
- Will provide trash pick-up a minimum of 3 times per week during peak season.
- Will maintain all city irrigation heads.
- Will establish and maintain scheduled maintenance for all turf fields.
- Will maintain all park shelters and will issue park reservations.
- Will provide inspections of HOA and City trails; will maintain city-trails up to six (6) times per year.
- Will provide 7-day per week coverage during peak season.
- Will provide weekly mowing for 40 weeks of the year and will apply fertilizer a minimum of 6 times per year.

Asset Depreciation Fund

The Asset Depreciation Fund is a reserve fund, defined in Oregon budget law, which accumulates money from year to year to provide for the unexpected purchase, improvement, or repairs of major capital assets, such as city buildings.

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 293,942 | \$ 353,625 | \$ 442,629 | \$ 405,998 | \$ 217,998 | \$ 217,998 | \$ 217,998 |
| Revenue | | | | | | | |
| Charges for services | - | 27,549 | - | - | - | - | - |
| Fines, interest and other | 5,470 | (55,180) | - | 2,000 | - | - | - |
| Total revenue | 5,470 | (27,631) | - | 2,000 | - | - | - |
| Other sources | | | | | | | |
| Transfers in | 74,000 | 130,004 | 114,000 | 114,000 | - | - | - |
| Total other sources | 74,000 | 130,004 | 114,000 | 114,000 | - | - | - |
| Total sources | 373,412 | 455,998 | 556,629 | 521,998 | 217,998 | 217,998 | 217,998 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Total personal services | - | - | - | - | - | - | - |
| Materials and services | | | | | | | |
| Other materials & services | - | - | 100,000 | 50,000 | - | - | - |
| Total materials & services | - | - | 100,000 | 50,000 | - | - | - |
| Capital outlay | | | | | | | |
| Infrastructure | - | 50,000 | - | - | - | - | - |
| Vehicles | - | - | 254,000 | 254,000 | - | - | - |
| Total capital outlay | - | 50,000 | 254,000 | 254,000 | - | - | - |
| Debt service | | | | | | | |
| Total debt service | - | - | - | - | - | - | - |
| Total expenditures | - | 50,000 | 354,000 | 304,000 | - | - | - |
| Other uses | | | | | | | |
| Transfers out | 19,786 | - | - | - | 217,998 | 217,998 | 217,998 |
| Ending Fund Balance | 353,625 | 405,998 | - | - | - | - | - |
| Contingency | | | 202,629 | 217,998 | 0 | 0 | 0 |
| Total uses | 373,412 | 455,998 | 556,629 | 521,998 | 217,998 | 217,998 | 217,998 |

The average police patrol car has an oil change every 6 weeks which averages about 3,000 miles.

Debt Service

The Debt Service fund accounts for property tax revenues levied for payment of general obligation bonds. Payment of long-term debt other than general obligation bonds is accounted for in the funds responsible for paying the debt.

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$142,389 | \$ 27,999 | \$ 10,999 | \$ 9,532 | \$ 1,532 | \$ 1,532 | \$ 1,532 |
| Revenue | | | | | | | |
| Taxes | 818,113 | 916,779 | 913,276 | 913,276 | 926,000 | 888,000 | 888,000 |
| Fines, interest and other | 5,998 | 824 | - | - | - | - | - |
| Total revenue | 824,111 | 917,603 | 913,276 | 913,276 | 926,000 | 888,000 | 888,000 |
| Other sources | | | | | | | |
| Total sources | 966,500 | 945,602 | 924,275 | 922,808 | 927,532 | 889,532 | 889,532 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Total personal services | - | - | - | - | - | - | - |
| Materials and services | | | | | | | |
| Total materials & services | - | - | - | - | - | - | - |
| Capital outlay | | | | | | | |
| Total capital outlay | - | - | - | - | - | - | - |
| Debt service | | | | | | | |
| Principal | 655,000 | 670,000 | 675,000 | 675,000 | 695,000 | 705,000 | 705,000 |
| Interest | 283,501 | 266,070 | 246,276 | 246,276 | 230,390 | 182,897 | 182,897 |
| Total debt service | 938,501 | 936,070 | 921,276 | 921,276 | 925,390 | 887,897 | 887,897 |
| Total expenditures | 938,501 | 936,070 | 921,276 | 921,276 | 925,390 | 887,897 | 887,897 |
| Other uses | | | | | | | |
| Ending Fund Balance | 27,999 | 9,532 | - | - | - | - | - |
| Contingency | | | 2,999 | 1,532 | 2,142 | 1,635 | 1,635 |
| Total uses | 966,500 | 945,602 | 924,275 | 922,808 | 927,532 | 889,532 | 889,532 |

The average daily water demand for Sherwood is approximately 2.2 million gallons.

Street Operations

The Street Department is responsible for the repair and maintenance of 50 miles of transportation system which includes paved streets, sidewalks, signals, street lights, signs and markings.

2010-11 Accomplishments

- Responded to all storm events.
- Replaced 364 regulatory signs.
- Paved 5 street sections of roadway
- Completed 40,983 feet of crack sealing.
- Completed landscape right-of-way maintenance.

2011-12 Goals, Values, Strategies, Activities, and Performance Measures

Goal: *"The City of Sherwood will provide and maintain infrastructure for its citizens to live, work and play."*

Strategies

Maintain transportation system assets.

Activities

- Pavement Management and street restoration responsibilities include base repair, sanding, perform street condition rating (every three years), slurry seal, overlays and crack seal.
- Right of Way Maintenance including sidewalk repairs, vegetation and barricade maintenance.
- Transportation Management Responsibilities include traffic signal inspections and maintenance, quarterly street light inspections, traffic sign maintenance and pavement markings.

Performance Measures

- Will respond to all storm events.
- Will be replacing a minimum of 141 regulatory signs; will restripe 22 center lane miles of streets.
- Will complete paving projects according to the pavement management program.
- Will crack seal approximately 30,000 feet.
- Maintain landscape of right of way and will manage contractors.
- Will inspect a quarter of city-wide sidewalks.
- Will fill potholes within 24 hours of being notified.

GENERAL GOVERNMENT

STREET OPERATIONS

Street Operations Budget

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|-------------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 258,250 | \$ 305,162 | \$ 168,757 | \$ 254,614 | \$ 280,652 | \$ 280,652 | \$ 280,652 |
| Revenue | | | | | | | |
| Intergovernmental | 705,479 | 749,107 | 899,880 | 906,615 | 901,200 | 901,200 | 901,200 |
| Charges for services | 364,815 | 313,166 | 596,000 | 348,000 | 530,000 | 530,000 | 530,000 |
| Infrastructure development | 762 | 110 | 240 | 240 | - | - | - |
| Fines, interest and other | 6,316 | 1,460 | 1,800 | 1,800 | - | - | - |
| Total revenue | 1,077,371 | 1,063,842 | 1,497,920 | 1,256,655 | 1,431,200 | 1,431,200 | 1,431,200 |
| Other sources | | | | | | | |
| Transfers in | - | - | - | - | 229,000 | 229,000 | 229,000 |
| Total other sources | - | - | - | - | 229,000 | 229,000 | 229,000 |
| Total sources | 1,335,621 | 1,369,004 | 1,666,677 | 1,511,269 | 1,940,852 | 1,940,852 | 1,940,852 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 188,860 | 142,093 | 194,034 | 197,905 | 191,616 | 191,616 | 191,616 |
| Payroll taxes | 19,370 | 16,513 | 30,710 | 29,358 | 27,969 | 27,969 | 27,969 |
| Benefits | 55,920 | 48,389 | 63,771 | 65,013 | 75,780 | 75,780 | 75,780 |
| Total personal services | 264,150 | 206,994 | 288,515 | 292,276 | 295,365 | 295,365 | 295,365 |
| Materials and services | | | | | | | |
| Professional & technical | 207,741 | 53,821 | 23,871 | 32,300 | 35,704 | 35,704 | 35,704 |
| Facility and equipment | 271,672 | 302,787 | 332,888 | 324,384 | 416,500 | 416,500 | 416,500 |
| Other purchased services | 13,945 | 24,367 | 38,540 | 25,800 | 43,916 | 43,916 | 43,916 |
| Supplies | 58,138 | 50,108 | 58,012 | 58,012 | 60,756 | 60,756 | 60,756 |
| Minor equipment | 5,673 | - | 12,000 | 9,500 | 1,008 | 1,008 | 1,008 |
| Other materials & services | 98,147 | 62,568 | 127,299 | 122,226 | 141,196 | 141,196 | 141,196 |
| Total materials & services | 655,316 | 493,652 | 592,610 | 572,222 | 699,080 | 699,080 | 699,080 |
| Capital outlay | | | | | | | |
| Infrastructure | 20,092 | 256,701 | 401,508 | 260,000 | 588,000 | 588,000 | 588,000 |
| Furniture and equipment | - | - | 29,496 | 29,496 | - | - | - |
| Total capital outlay | 20,092 | 256,701 | 431,004 | 289,496 | 588,000 | 588,000 | 588,000 |
| Debt service | | | | | | | |
| Principal | 75,793 | 41,758 | 43,712 | 43,712 | 57,517 | 57,517 | 57,517 |
| Interest | 14,689 | 5,864 | 3,911 | 3,911 | 1,864 | 1,864 | 1,864 |
| Total debt service | 90,482 | 47,622 | 47,623 | 47,623 | 59,381 | 59,381 | 59,381 |
| Total expenditures | 1,030,039 | 1,004,969 | 1,359,752 | 1,201,617 | 1,641,826 | 1,641,826 | 1,641,826 |
| Other uses | | | | | | | |
| Transfers out | 420 | 109,421 | 61,000 | 29,000 | - | - | - |
| Ending Fund Balance | \$ 305,162 | \$ 254,614 | - | - | - | - | - |
| Equipment Replacement Reserve | - | - | - | - | 39,000 | 29,001 | 29,002 |
| Contingency | - | - | 245,925 | 280,652 | 260,025 | 270,024 | 270,023 |
| Total uses | 1,335,621 | 1,369,004 | 1,666,677 | 1,511,269 | 1,940,852 | 1,940,852 | 1,940,852 |

The streets crew maintains 1,665 of regulatory and warning signs every year.

FY11-12 Street Capital Projects

Pine Street Construction Phase 2: This project reconstructs Pine Street between Division Street and Sunset Boulevard. This project upgrades the current road section to meet the City’s TSP standards for a collector street. Also included are the installation of new utility infrastructure (sanitary, storm, and water) to accommodate existing peak load and future growth. City Public Works staff will be responsible for the cleaning and maintenance of this road after construction is completed. However, being new construction it is anticipated that this work will be minimal and consist mostly of cleaning of stormwater catch basins, street sweeping, and leaf disposal.

Annual maintenance costs for Pine St. phase 2

| Programs Affected | Description | Cost Per Year |
|--------------------------|-------------------------------------|----------------------|
| Street Operations | Crack Seal/Slurry Seal (7 yr cycle) | \$ 1,211.43 |
| | Landscaping Maintenance | \$ 1,500.00 |
| Storm Operations | Mainline Cleaning (4 yr cycle) | \$ 95.33 |
| | Mainline TV (8 yr cycle) | \$ 65.14 |
| | Manholes (8 yr cycle) | \$ 75.00 |
| | Catch Basins (8 yr cycle) | \$ 17.50 |
| Sanitary Operations | Mainline Cleaning (4 yr cycle) | \$ 78.53 |
| | Mainline TV (8 yr cycle) | \$ 53.66 |
| | Manholes (8 yr cycle) | \$ 37.50 |
| Water Operations | Valve Maintenance (4 yr cycle) | \$ 70.00 |
| | Line Flushing (4 yr cycle) | \$ 37.50 |

Adams Avenue South Construction: This project constructs Adams Avenue between Oregon Street and Tualatin-Sherwood Road. This road is designated as a collector street in the City’s TSP and intended to relieve traffic congestion through downtown Sherwood. City Public Works staff will be responsible for the cleaning and maintenance of this road after construction is completed. However, being new construction it is anticipated that this work will be minimal and consist mostly of cleaning of stormwater catch basins, street sweeping, and leaf disposal.

Annual maintenance costs for Adams Ave. South

| Programs Affected | Description | Cost Per Year |
|--------------------------|-------------------------------------|----------------------|
| Street Operations | Crack Seal/Slurry Seal (7 yr cycle) | \$ 4,671.14 |
| | Landscaping Maintenance | \$ 5,000.00 |
| Storm Operations | Mainline Cleaning (4 yr cycle) | \$ 310.65 |
| | Mainline TV (8 yr cycle) | \$ 212.28 |
| | Manholes (8 yr cycle) | \$ 468.75 |
| | Catch Basins (8 yr cycle) | \$ 57.50 |
| Sanitary Operations | Mainline Cleaning (4 yr cycle) | \$ 177.60 |
| | Mainline TV (8 yr cycle) | \$ 121.36 |
| | Manholes (8 yr cycle) | \$ 281.25 |
| Water Operations | Valve Maintenance (4 yr cycle) | \$ 332.50 |
| | Line Flushing (4 yr cycle) | \$ 150.00 |

GENERAL GOVERNMENT**STREET CAPITAL**

Adams Avenue/Oregon Street Signal Construction: This project installs a traffic control signal at the Adams Avenue/Oregon Street intersection. This intersection is to be built in conjunction with the Adams Avenue South street project. Washington County DOT maintains all the traffic control signals for the City of Sherwood. It is anticipated City Public Works staff will not have any maintenance duties with this improvement.

Ongoing maintenance will be Portland & Western Railroad's responsibility.

Adams Avenue North Construction: This project constructs the extension of Adams Avenue between Tualatin-Sherwood Road and Highway 99W at the existing intersection to Home Depot. This project is to provide access and growth opportunities to the properties that lay along its alignment. This road is being designated as a collector street and will conform to the TSP street standards. City Public Works staff will be responsible for the cleaning and maintenance of this road after construction is completed. However, being new construction it is anticipated that this work will be minimal and consist mostly of cleaning of stormwater catch basins, street sweeping, and leaf disposal.

Ongoing maintenance costs will be determined when the design is completed.

Street Capital Budget

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 3,723,852 | \$ 4,588,428 | \$ 4,429,436 | \$ 5,363,964 | \$ 3,451,547 | \$ 3,451,547 | \$ 3,451,547 |
| Revenue | | | | | | | |
| Intergovernmental | - | 1,000,000 | 4,160,000 | 3,975,000 | 25,000 | 25,000 | 25,000 |
| Infrastructure development | 1,605,406 | 301,935 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Fines, interest and other | 211,781 | 50,666 | 17,760 | 42,760 | - | - | - |
| Total revenue | 1,817,187 | 1,352,601 | 4,327,760 | 4,167,760 | 175,000 | 175,000 | 175,000 |
| Other sources | | | | | | | |
| Transfers in | - | 2,986 | 115,000 | 286,910 | 783,900 | 783,900 | 783,900 |
| Total other sources | - | 2,986 | 115,000 | 286,910 | 783,900 | 783,900 | 783,900 |
| Total sources | 5,541,038 | 5,944,015 | 8,872,196 | 9,818,634 | 4,410,447 | 4,410,447 | 4,410,447 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 75,916 | 57,587 | 115,802 | 116,149 | 123,144 | 123,144 | 123,144 |
| Payroll taxes | 6,341 | 4,788 | 12,184 | 11,167 | 11,726 | 11,726 | 11,726 |
| Benefits | 31,730 | 17,885 | 34,710 | 34,760 | 45,180 | 45,180 | 45,180 |
| Total personal services | 113,987 | 80,261 | 162,696 | 162,076 | 180,050 | 180,050 | 180,050 |
| Materials and services | | | | | | | |
| Professional & technical | 677,200 | 359,075 | - | - | - | - | - |
| Facility and equipment | 945 | 2,318 | - | - | - | - | - |
| Other purchased services | 8,644 | 6,603 | 204 | 204 | 324 | 324 | 324 |
| Supplies | 9,651 | - | - | - | - | - | - |
| Other materials & services | 84,700 | 54,542 | 137,544 | 129,349 | 139,486 | 139,486 | 139,486 |
| Total materials & services | 781,139 | 422,538 | 137,748 | 129,553 | 139,810 | 139,810 | 139,810 |
| Capital outlay | | | | | | | |
| Land | 14,470 | - | - | - | - | - | - |
| Infrastructure | 24,013 | 3,502 | 6,705,427 | 6,075,458 | 3,439,800 | 3,439,800 | 3,439,800 |
| Total capital outlay | 38,483 | 3,502 | 6,705,427 | 6,075,458 | 3,439,800 | 3,439,800 | 3,439,800 |
| Debt service | | | | | | | |
| Total debt service | - | - | - | - | - | - | - |
| Total expenditures | 933,610 | 506,301 | 7,005,871 | 6,367,087 | 3,759,660 | 3,759,660 | 3,759,660 |
| Other uses | | | | | | | |
| Transfers out | 19,000 | 73,750 | - | - | - | - | - |
| Ending Fund Balance | \$ 4,588,428 | \$ 5,363,964 | - | - | - | - | - |
| Contingency | | | 1,866,325 | 3,451,547 | 650,786 | 650,786 | 650,786 |
| Total uses | 5,541,038 | 5,944,015 | 8,872,196 | 9,818,634 | 4,410,447 | 4,410,447 | 4,410,447 |

ENTERPRISE FUNDS**WATER FUND****Water Fund**

The Water fund consists of two departments, operations and capital. The operations department is responsible for ongoing maintenance of the water utility. The Capital department is responsible for construction of water infrastructure.

Water Fund Budget in Total

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|---------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 8,746,257 | \$ 8,714,110 | \$ 12,964,218 | \$ 7,771,382 | \$ 9,503,316 | \$ 9,503,316 | \$ 9,503,316 |
| Revenue | | | | | | | |
| Intergovernmental | 1,273,556 | - | 500,000 | - | - | - | - |
| Charges for services | 3,445,457 | 3,773,555 | 4,482,680 | 3,801,800 | 4,201,200 | 4,201,200 | 4,201,200 |
| Infrastructure developme | 387,435 | 120,176 | 66,000 | 148,500 | 66,000 | 66,000 | 66,000 |
| Fines, interest and other | 408,758 | 1,209,022 | 40,344 | 40,344 | 24,000 | 24,000 | 24,000 |
| Total revenue | 5,515,206 | 5,102,752 | 5,089,024 | 3,990,644 | 4,291,200 | 4,291,200 | 4,291,200 |
| Other sources | | | | | | | |
| Transfers in | - | 538,013 | 160,000 | 64,000 | 25,000 | 25,000 | 25,000 |
| Issuance of long-term del | 5,596,252 | 3,152,556 | 6,000,000 | 17,249,085 | 6,498,833 | 6,498,833 | 6,498,833 |
| Total other sources | 5,596,252 | 3,690,569 | 6,160,000 | 17,313,085 | 6,523,833 | 6,523,833 | 6,523,833 |
| Total sources | 19,857,715 | 17,507,432 | 24,213,242 | 29,075,111 | 20,318,349 | 20,318,349 | 20,318,349 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 207,492 | 496,153 | 452,211 | 452,249 | 427,764 | 427,764 | 427,764 |
| Payroll taxes | 20,156 | 48,583 | 55,023 | 50,510 | 49,517 | 49,517 | 49,517 |
| Benefits | 79,169 | 182,676 | 172,106 | 172,426 | 184,266 | 184,266 | 184,266 |
| Total personal services | 306,817 | 727,412 | 679,340 | 675,184 | 661,547 | 661,547 | 661,547 |
| Materials and services | | | | | | | |
| Professional & technical | 9,712,914 | 7,858,622 | 687,000 | 667,100 | 854,508 | 854,508 | 854,508 |
| Facility and equipment | 74,823 | 103,397 | 158,664 | 128,892 | 91,312 | 91,312 | 91,312 |
| Other purchased service | 196,268 | 300,330 | 401,508 | 367,862 | 382,462 | 382,462 | 382,462 |
| Supplies | 39,092 | 104,123 | 149,672 | 122,304 | 134,488 | 134,488 | 134,488 |
| Community activities | - | - | 300 | 300 | - | - | - |
| Minor equipment | 42,603 | 11,742 | 13,040 | 13,040 | 8,004 | 8,004 | 8,004 |
| Other materials & servic | 105,930 | 248,596 | 296,680 | 282,354 | 316,245 | 316,245 | 316,245 |
| Total materials & servi | 10,171,629 | 8,626,810 | 1,706,864 | 1,581,852 | 1,787,019 | 1,787,019 | 1,787,019 |
| Capital outlay | | | | | | | |
| Land | 137,477 | 17,634 | - | - | - | - | - |
| Infrastructure | 242,000 | - | 8,738,991 | 6,180,626 | 7,007,750 | 7,007,750 | 7,007,750 |
| Vehicles | 85,277 | - | - | - | - | - | - |
| Furniture and equipmen | - | 4,995 | 111,000 | 111,000 | - | - | - |
| Total capital outlay | 464,754 | 22,629 | 8,849,991 | 6,291,626 | 7,007,750 | 7,007,750 | 7,007,750 |
| Debt service | | | | | | | |
| Principal | 9,973 | 41,758 | 254,712 | 10,254,712 | 501,470 | 501,470 | 501,470 |
| Interest | 190,432 | 280,937 | 376,911 | 376,911 | 1,020,861 | 1,054,103 | 1,054,103 |
| Issuance costs | - | 1,500 | - | 175,000 | - | - | - |
| Total debt service | 200,405 | 324,195 | 631,623 | 10,806,623 | 1,522,332 | 1,555,573 | 1,555,573 |
| Total expenditures | 11,143,605 | 9,701,046 | 11,867,818 | 19,355,285 | 10,978,647 | 11,011,889 | 11,011,889 |
| Other uses | | | | | | | |
| Transfers out | - | 35,004 | 50,500 | 216,510 | 240,000 | 240,000 | 240,000 |
| Ending Fund Balance | 8,714,110 | 7,771,382 | - | - | - | - | - |
| Contingency | | | 12,294,924 | 9,503,316 | 9,099,701 | 9,066,459 | 9,066,459 |
| Total uses | 19,857,715 | 17,507,432 | 24,213,242 | 29,075,111 | 20,318,349 | 20,318,349 | 20,318,349 |

Water Operations

The Water Operation Department's primary responsibility is to repair, maintain and expand the water system while providing a high quality, dependable water supply to its customers.

2010-11 Accomplishments

- Completed sanitary survey of water system.
- Completed Consumer Confidence Report.
- Completed monthly meter reading.
- Completed weekly distribution utility bills.
- Completed 322 water samples.
- Coordinated and managed 2625 backflow devices.

2011-12 Goals, Values, Strategies, Activities, and Performance Measures

Goal: *"The City of Sherwood will provide and maintain infrastructure for its citizens to live, work and play."*

Strategies

Maintain, repair, and expand the water system while at the same time providing a high-quality, dependable water supply to its customers.

Activities

- Prepare and distribute the Consumer Confidence Report which is an annual report on water quality that is mandated by state and federal regulations.
- Water quality sampling is performed throughout the City to ensure compliance with federal Safe Drinking Water Act, Drinking Water Rules, and Regulators. Results are reported monthly for microbiological samples and chlorine residuals. Other testing is completed in accordance with federal and state requirements.
- Operate and repair over 68 miles of water mains, 1800 valves, 560 fire hydrants, and 5700 meters, 3 reservoirs, 4 wells, and 2 pump stations that deliver water to customers at all times.
- Maintain a flushing program
- Operate a valve survey and exercise program.
- Coordinate and manage cross-connection program.
- Target water conservation measures to reduce peak water demand.
- Primary responsibility for all utility locates that relate to water, sanitary, storm and broadband.

Performance Measures

- Will complete required sampling and State guidelines.
- Will complete maintenance on 280 fire hydrants.
- Will read all water meters and bill on a monthly basis.
- Will distribute CCR to all customers by July 1st.

ENTERPRISE FUNDS

WATER FUND

Water Operations Budget

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|-------------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 3,909,504 | \$ 2,360,448 | \$ 3,775,868 | \$ 4,001,022 | \$ 3,612,869 | \$ 3,612,869 | \$ 3,612,869 |
| Revenue | | | | | | | |
| Charges for services | 50,242 | 3,773,555 | 2,482,680 | 1,801,800 | 4,201,200 | 4,201,200 | 4,201,200 |
| Infrastructure developme | 14,456 | 6,918 | 6,000 | 8,500 | 6,000 | 6,000 | 6,000 |
| Fines, interest and other | 60,460 | 13,141 | 24,000 | 24,000 | - | - | - |
| Total revenue | 125,157 | 3,793,613 | 2,512,680 | 1,834,300 | 4,207,200 | 4,207,200 | 4,207,200 |
| Other sources | | | | | | | |
| Transfers in | - | 264,263 | - | 64,000 | 25,000 | 25,000 | 25,000 |
| Total other sources | - | 264,263 | - | 64,000 | 25,000 | 25,000 | 25,000 |
| Total sources | 4,034,661 | 6,418,324 | 6,288,548 | 5,899,322 | 7,845,069 | 7,845,069 | 7,845,069 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 158,062 | 450,991 | 390,830 | 401,312 | 397,956 | 397,956 | 397,956 |
| Payroll taxes | 16,176 | 44,922 | 49,462 | 46,246 | 46,912 | 46,912 | 46,912 |
| Benefits | 58,529 | 168,043 | 150,720 | 154,953 | 171,732 | 171,732 | 171,732 |
| Total personal services | 232,767 | 663,956 | 591,012 | 602,511 | 616,600 | 616,600 | 616,600 |
| Materials and services | | | | | | | |
| Professional & technical | 870,481 | 763,282 | 687,000 | 667,100 | 854,508 | 854,508 | 854,508 |
| Facility and equipment | 58,672 | 93,516 | 158,664 | 128,892 | 91,312 | 91,312 | 91,312 |
| Other purchased service | 193,075 | 284,628 | 400,602 | 367,202 | 382,270 | 382,270 | 382,270 |
| Supplies | 37,217 | 82,576 | 149,672 | 122,304 | 134,488 | 134,488 | 134,488 |
| Community activities | - | - | 300 | 300 | - | - | - |
| Minor equipment | 11,383 | 10,583 | 13,040 | 13,040 | 8,004 | 8,004 | 8,004 |
| Other materials & servic | 81,500 | 219,606 | 256,410 | 251,963 | 294,759 | 294,759 | 294,759 |
| Total materials & service | 1,252,327 | 1,454,191 | 1,665,688 | 1,550,801 | 1,765,341 | 1,765,341 | 1,765,341 |
| Capital outlay | | | | | | | |
| Infrastructure | - | - | - | (75,982) | 25,000 | 25,000 | 25,000 |
| Vehicles | 85,277 | - | - | - | - | - | - |
| Furniture and equipment | - | 4,995 | 111,000 | 111,000 | - | - | - |
| Total capital outlay | 85,277 | 4,995 | 111,000 | 35,018 | 25,000 | 25,000 | 25,000 |
| Debt service | | | | | | | |
| Principal | 9,973 | 41,758 | 43,712 | 43,712 | 501,470 | 501,470 | 501,470 |
| Interest | 93,870 | 217,398 | 3,911 | 3,911 | 1,020,861 | 1,054,103 | 1,054,103 |
| Total debt service | 103,843 | 259,157 | 47,623 | 47,623 | 1,522,332 | 1,555,573 | 1,555,573 |
| Total expenditures | 1,674,214 | 2,382,298 | 2,415,323 | 2,235,953 | 3,929,272 | 3,962,514 | 3,962,514 |
| Other uses | | | | | | | |
| Transfers out | - | 35,004 | 50,500 | 50,500 | 10,000 | 10,000 | 10,000 |
| Ending Fund Balance | \$ 2,360,448 | \$ 4,001,022 | - | - | - | - | - |
| Equipment Replacement Reserve | - | - | - | - | 50,000 | 50,000 | 50,000 |
| Contingency | - | - | 3,822,725 | 3,612,869 | 3,855,797 | 3,822,555 | 3,822,555 |
| Total uses | 4,034,662 | 6,418,324 | 6,288,548 | 5,899,322 | 7,845,069 | 7,845,069 | 7,845,069 |

FY11-12 Water Capital Projects

Long Term Water Supply This project entails the planning, design and construction for the needed improvements to secure a long term water source for the City.

Water Pipeline to Wilsonville In partnership with Wilsonville; construct a meter vault to connect Segment 5 to Segment 6 from Wilsonville to Sherwood. Negotiate an IGA to design, permit and construct Segment 3 of 48” transmission pipeline which will tie Segment 2 and Segment 4 together. Negotiate IGA with Wilsonville for interim water agreement.

Annual maintenance costs for water pipeline to Wilsonville

| Programs Affected | Description | Cost Per Year |
|--------------------------|-----------------------|----------------------|
| Water Operations | Valve maintenance | \$ 1,000.00 |
| | Maintenance of ARV | \$ 500.00 |
| | Locates | \$ 300.00 |
| | Maintenance of Vault | \$ 1,000.00 |
| | Telemetry maintenance | \$ 1,000.00 |
| | Cathodic protection | \$ 5,000.00 |

Seismic Upgrade An upgrade is needed at the existing reservoir #1 at Snyder Park. The improvements are necessary to extend the service life of the reservoir that was built in the early 70’s. If these improvements are completed the reservoir will have a life expectancy of between 12 to 15 years or longer.

There will be no additional maintenance costs due to the upgrade, the current maintenance program will continue.

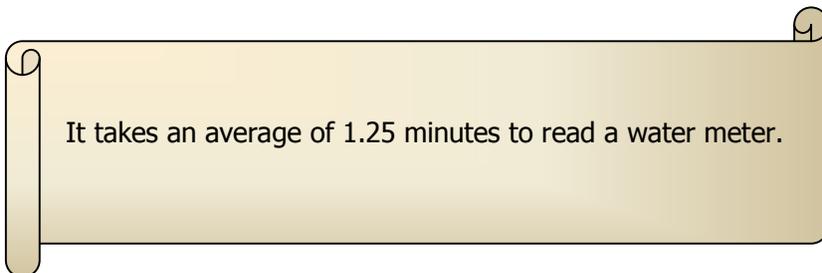
Siting and Property Needs Complete siting analysis and identify property acquisition needs for future 535 foot pressure zone reservoir.

2010-11 Accomplishments

- Completed IGAs for meter vault and temporary water source with the City of Wilsonville
- In partnership with Wilsonville, began construction of meter vault
- Completed Segments 6, 7 and 8 of the 48” transmission water main from Sherwood to Wilsonville
- Completed 24” temporary line for temporary water use
- In process of designing seismic upgrade for Sunset Reservoir #1
- Partnered with City of Wilsonville to complete hydraulic analysis of the Willamette River Treatment Plant
- Partnered with City of Wilsonville to complete Willamette River Water Treatment Plant rate study.

Water Capital Budget

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 4,836,808 | \$ 6,345,168 | \$ 9,188,350 | \$ 3,770,360 | \$ 5,890,446 | \$ 5,890,446 | \$ 5,890,446 |
| Revenue | | | | | | | |
| Intergovernmental | 1,273,556 | - | 500,000 | - | - | - | - |
| Charges for services | 3,395,215 | - | 2,000,000 | 2,000,000 | - | - | - |
| Infrastructure development | 372,980 | 113,258 | 60,000 | 140,000 | 60,000 | 60,000 | 60,000 |
| Fines, interest and other | 348,298 | 1,195,881 | 16,344 | 16,344 | 24,000 | 24,000 | 24,000 |
| Total revenue | 5,390,049 | 1,309,139 | 2,576,344 | 2,156,344 | 84,000 | 84,000 | 84,000 |
| Other sources | | | | | | | |
| Transfers in | - | 273,750 | 160,000 | - | - | - | - |
| Issuance of long-term debt | 5,596,252 | 3,152,556 | 6,000,000 | 17,249,085 | 6,498,833 | 6,498,833 | 6,498,833 |
| Total other sources | 5,596,252 | 3,426,306 | 6,160,000 | 17,249,085 | 6,498,833 | 6,498,833 | 6,498,833 |
| Total sources | 15,823,109 | 11,080,613 | 17,924,694 | 23,175,789 | 12,473,279 | 12,473,279 | 12,473,279 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 49,430 | 45,162 | 61,381 | 50,937 | 29,808 | 29,808 | 29,808 |
| Payroll taxes | 3,980 | 3,661 | 5,561 | 4,264 | 2,605 | 2,605 | 2,605 |
| Benefits | 20,641 | 14,633 | 21,386 | 17,473 | 12,534 | 12,534 | 12,534 |
| Total personal services | 74,050 | 63,455 | 88,328 | 72,674 | 44,947 | 44,947 | 44,947 |
| Materials and services | | | | | | | |
| Professional & technical | 8,850,927 | 7,095,341 | - | - | - | - | - |
| Facility and equipment | 16,206 | 9,881 | - | - | - | - | - |
| Other purchased services | 3,193 | 15,701 | 906 | 660 | 192 | 192 | 192 |
| Supplies | 1,875 | 21,547 | - | - | - | - | - |
| Minor equipment | 31,221 | 1,159 | - | - | - | - | - |
| Other materials & services | 24,430 | 20,496 | 40,270 | 30,391 | 21,486 | 21,486 | 21,486 |
| Total materials & services | 8,927,851 | 7,164,125 | 41,176 | 31,051 | 21,678 | 21,678 | 21,678 |
| Capital outlay | | | | | | | |
| Land | 137,477 | 17,634 | - | - | - | - | - |
| Infrastructure | 242,000 | - | 8,738,991 | 6,256,608 | 6,982,750 | 6,982,750 | 6,982,750 |
| Total capital outlay | 379,477 | 17,634 | 8,738,991 | 6,256,608 | 6,982,750 | 6,982,750 | 6,982,750 |
| Debt service | | | | | | | |
| Principal | - | - | 211,000 | 10,211,000 | - | - | - |
| Interest | 96,562 | 63,539 | 373,000 | 373,000 | - | - | - |
| Issuance costs | - | 1,500 | - | 175,000 | - | - | - |
| Total debt service | 96,562 | 65,039 | 584,000 | 10,759,000 | - | - | - |
| Total expenditures | 9,477,940 | 7,310,253 | 9,452,495 | 17,119,333 | 7,049,375 | 7,049,375 | 7,049,375 |
| Other uses | | | | | | | |
| Transfers out | - | - | - | 166,010 | 230,000 | 230,000 | 230,000 |
| Ending Fund Balance | \$ 6,345,168 | \$ 3,770,360 | - | - | - | - | - |
| Contingency | | | 8,472,199 | 5,890,446 | 5,193,904 | 5,193,904 | 5,193,904 |
| Total uses | 15,823,109 | 11,080,613 | 17,924,694 | 23,175,789 | 12,473,279 | 12,473,279 | 12,473,279 |



ENTERPRISE FUNDS**SANITARY FUND****Sanitary Fund**

The Sanitary fund consists of two departments, operations and capital. The operations department is responsible for ongoing maintenance of the sanitary utility. The Capital department is responsible for construction of sanitary infrastructure.

Sanitary Fund Budget in Total

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 4,418,258 | \$ 4,256,969 | \$ 4,338,622 | \$ 3,797,477 | \$ 3,614,505 | \$ 3,614,505 | \$ 3,614,505 |
| Revenue | | | | | | | |
| Intergovernmental | - | - | 1,143,738 | 648,360 | 761,408 | 761,408 | 761,408 |
| Charges for services | 329,065 | 456,341 | 512,376 | 453,720 | 512,736 | 512,736 | 512,736 |
| Infrastructure development | 150,098 | 8,331 | 3,240 | 3,240 | 3,000 | 3,000 | 3,000 |
| Fines, interest and other | 71,274 | 90,611 | 18,456 | 18,118 | 8,700 | 8,700 | 8,700 |
| Total revenue | 550,436 | 555,283 | 1,677,810 | 1,123,438 | 1,285,844 | 1,285,844 | 1,285,844 |
| Other sources | | | | | | | |
| Transfers in | 86,314 | - | - | - | 50,000 | 50,000 | 50,000 |
| Total other sources | 86,314 | - | - | - | 50,000 | 50,000 | 50,000 |
| Total sources | 5,055,008 | 4,812,252 | 6,016,432 | 4,920,915 | 4,950,349 | 4,950,349 | 4,950,349 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 122,350 | 174,984 | 232,874 | 209,923 | 227,304 | 227,304 | 227,304 |
| Payroll taxes | 11,213 | 16,953 | 27,956 | 23,628 | 26,240 | 26,240 | 26,240 |
| Benefits | 37,962 | 48,959 | 75,312 | 65,063 | 79,080 | 79,080 | 79,080 |
| Total personal services | 171,526 | 240,895 | 336,143 | 298,615 | 332,624 | 332,624 | 332,624 |
| Materials and services | | | | | | | |
| Professional & technical | 147,123 | 352,281 | 18,500 | 12,500 | 35,508 | 35,508 | 35,508 |
| Facility and equipment | 8,861 | 14,275 | 23,832 | 14,792 | 24,240 | 24,240 | 24,240 |
| Other purchased services | 124,780 | 134,354 | 47,298 | 37,752 | 72,480 | 72,480 | 72,480 |
| Supplies | 10,360 | 7,476 | 12,224 | 12,224 | 12,188 | 12,188 | 12,188 |
| Minor equipment | 7,873 | 2,444 | 8,788 | 6,808 | 1,508 | 1,508 | 1,508 |
| Other materials & services | 60,968 | 126,802 | 202,766 | 174,863 | 198,451 | 198,451 | 198,451 |
| Total materials & services | 359,965 | 637,632 | 313,408 | 258,939 | 344,375 | 344,375 | 344,375 |
| Capital outlay | | | | | | | |
| Infrastructure | - | - | 677,174 | 488,714 | 1,403,329 | 1,403,329 | 1,403,329 |
| Vehicles | 37,450 | - | - | - | - | - | - |
| Furniture and equipment | - | 7,600 | 50,000 | 30,000 | - | - | - |
| Total capital outlay | 37,450 | 7,600 | 727,174 | 518,714 | 1,403,329 | 1,403,329 | 1,403,329 |
| Debt service | | | | | | | |
| Principal | 31,913 | 39,670 | 41,527 | 41,527 | 54,642 | 54,642 | 54,642 |
| Interest | 6,185 | 5,571 | 3,715 | 3,715 | 1,771 | 1,771 | 1,771 |
| Total debt service | 38,098 | 45,241 | 45,242 | 45,242 | 56,413 | 56,413 | 56,413 |
| Total expenditures | 607,039 | 931,368 | 1,421,968 | 1,121,510 | 2,136,741 | 2,136,741 | 2,136,741 |
| Other uses | | | | | | | |
| Transfers out | 191,000 | 83,407 | 79,000 | 184,900 | 323,900 | 323,900 | 323,900 |
| Ending Fund Balance | 4,256,969 | 3,797,477 | - | - | - | - | - |
| Contingency | | | 4,515,464 | 3,614,505 | 2,489,708 | 2,489,708 | 2,489,708 |
| Total uses | 5,055,008 | 4,812,252 | 6,016,432 | 4,920,915 | 4,950,349 | 4,950,349 | 4,950,349 |

Sanitary Operations

The Sanitary Department manages and operates over 62 miles of pipe in the wastewater collection system in the city limits of Sherwood.

2010-11 Accomplishments

- Cleaned 164,634 feet of sanitary main lines.
- Videoed 56,725 feet of sanitary main lines.
- Completed brushing and posting program.
- Completed 63 inspections at City businesses to ensure FOG compliance.

2011-12 Goals, Values, Strategies, Activities, and Performance Measures

Goal: *"The City of Sherwood will provide and maintain infrastructure for its citizens to live, work and play."*

Strategies

Manage and operate over 62 miles of pipe in the wastewater collection system within the city limits of Sherwood.

Activities

- To ensure compliance with the City of Sherwood's maintenance standards which are adopted by Clean Water Services. This work section provides all warranty video inspection of all main line construction projects (private and capital).
- Television inspection program is on a 7 year cycle and provides updated information on needed sanitary main line repairs and replacements.
- The sanitary pipe lines are on a 3 year cleaning cycle to prevent blockages that could cause overflows.
- Root cutting is on annual schedule to prevent blockages.
- Fat Oil and Grease Program. Provide inspections to ensure compliance with City ordinance to minimize maintenance costs.

Performance Measures

- Will clean 1/3 of city's sanitary mainlines.
- Will continue to provide brushing and posting program which include annual inspections and maintenance of offsite manholes (wetlands).
- Will CCTV 1/7 of city's sanitary mainline system.
- Will respond to all private property sanitary overflows that we are made aware of.
- Will complete inspections at city businesses for fat, oil, and grease (FOG) program to ensure compliance with city code.

ENTERPRISE FUNDS

SANITARY FUND

Sanitary Operations Budget

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|-------------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 258,704 | \$ 84,254 | \$ 92,124 | \$ 59,785 | \$ 32,653 | \$ 32,653 | \$ 32,653 |
| Revenue | | | | | | | |
| Charges for services | 329,065 | 456,271 | 512,376 | 453,720 | 512,736 | 512,736 | 512,736 |
| Infrastructure development | 740 | 172 | 240 | 240 | - | - | - |
| Fines, interest and other | 5,103 | 868 | 804 | 1,610 | - | - | - |
| Total revenue | 334,907 | 457,311 | 513,420 | 455,570 | 512,736 | 512,736 | 512,736 |
| Other sources | | | | | | | |
| Transfers in | - | - | - | - | 50,000 | 50,000 | 50,000 |
| Total other sources | - | - | - | - | 50,000 | 50,000 | 50,000 |
| Total sources | 593,610 | 541,565 | 605,544 | 515,355 | 595,389 | 595,389 | 595,389 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 107,471 | 101,490 | 139,580 | 126,749 | 131,400 | 131,400 | 131,400 |
| Payroll taxes | 9,968 | 10,805 | 18,096 | 15,619 | 16,782 | 16,782 | 16,782 |
| Benefits | 32,807 | 31,561 | 47,074 | 40,661 | 52,200 | 52,200 | 52,200 |
| Total personal services | 150,245 | 143,856 | 204,750 | 183,029 | 200,382 | 200,382 | 200,382 |
| Materials and services | | | | | | | |
| Professional & technical | 17,983 | 10,199 | 18,500 | 12,500 | 35,508 | 35,508 | 35,508 |
| Facility and equipment | 8,861 | 11,519 | 23,832 | 14,792 | 24,240 | 24,240 | 24,240 |
| Other purchased services | 123,767 | 122,261 | 47,034 | 37,566 | 72,192 | 72,192 | 72,192 |
| Supplies | 10,360 | 7,476 | 12,224 | 12,224 | 12,188 | 12,188 | 12,188 |
| Minor equipment | 7,873 | 2,444 | 8,788 | 6,808 | 1,508 | 1,508 | 1,508 |
| Other materials & services | 49,720 | 50,762 | 91,574 | 76,541 | 95,790 | 95,790 | 95,790 |
| Total materials & services | 218,563 | 204,662 | 201,952 | 160,431 | 241,426 | 241,426 | 241,426 |
| Capital outlay | | | | | | | |
| Vehicles | 37,450 | - | - | - | - | - | - |
| Furniture and equipment | - | 7,600 | 50,000 | 30,000 | - | - | - |
| Total capital outlay | 37,450 | 7,600 | 50,000 | 30,000 | - | - | - |
| Debt service | | | | | | | |
| Principal | 31,913 | 39,670 | 41,527 | 41,527 | 54,642 | 54,642 | 54,642 |
| Interest | 6,185 | 5,571 | 3,715 | 3,715 | 1,771 | 1,771 | 1,771 |
| Total debt service | 38,098 | 45,241 | 45,242 | 45,242 | 56,413 | 56,413 | 56,413 |
| Total expenditures | 444,356 | 401,359 | 501,944 | 418,702 | 498,221 | 498,221 | 498,221 |
| Other uses | | | | | | | |
| Transfers out | 65,000 | 80,421 | 64,000 | 64,000 | - | - | - |
| Ending Fund Balance | \$ 84,254 | \$ 59,785 | - | - | - | - | - |
| Equipment Replacement Reserve | | | | | 50,000 | 50,001 | 50,001 |
| Contingency | | | 39,600 | 32,653 | 47,168 | 47,167 | 47,167 |
| Total uses | 593,610 | 541,565 | 605,544 | 515,355 | 595,389 | 595,389 | 595,389 |

FY11-12 Sanitary Capital Projects

Brookman Area (Area 54/55) Sanitary Sewer Conveyance System Extension Phase 1: This project extends a public sanitary sewer conveyance system mainline to the northern border of the Brookman Area (Area 54/55) annexation property. This mainline extension will provide service for the future growth of the area. Public Works maintenance will consist mostly of inspection of the conveyance system on a bi-yearly basis and cleaning once every 5 to 10 years.

Annual maintenance costs for Brookman sanitary sewer extension phase 1

| Programs Affected | Description | Cost Per Year |
|--------------------------|--------------------------------|----------------------|
| Sanitary Operations | Mainline Cleaning (4 yr cycle) | \$ 121.95 |
| | Mainline TV (8 yr cycle) | \$ 83.33 |
| | Manholes (8 yr cycle) | \$ 131.25 |

Brookman Area (Area 54/55) Sanitary Sewer Conveyance System Extension Phase 2: This project extends a public sanitary conveyance system mainline through the Brookman Area annexed property. This mainline extension will provide service for the future growth of the area. Public Works maintenance will consist mostly of inspection of the conveyance system on a bi-yearly basis and cleaning once every 5 to 10 years.

Design and construction are pending City Council approval. Ongoing maintenance costs will be determined after design is completed.

Rock Creek Trunk Line Capacity Upgrade: This project consists of replacing/upsizing approximately 5,200 linear feet of existing 18-inch diameter sewer main trunk line with 24-inch diameter sewer main trunk line. The project limits are from the City limits off Tualatin-Sherwood Road north and east, across Onion Flats, to the CWS pump lift station off Hwy 99W, which is located northeast of downtown Sherwood. The project is listed in the City’s Sanitary Sewer Master Plan and in Clean Water Services (CWS) system plans for upgrading, and is necessary for future development of Area 48 and infill development in the southeast and northeast part of the City. The project will be funded by reimbursement funds from CWS’s CIP program.

Ongoing maintenance of this system is the responsibility of CWS.

Rock Creek Trunk Capacity Upgrade Phase 1: This project consists of replacing/upsizing approximately 1,349 linear feet of existing 18-inch diameter pipe with 24-inch diameter pipe between the two manholes noted above. This upgrade is necessary to provide capacity for future growth and expansion of the northeast portion of Sherwood (Area 48).

Ongoing maintenance of this system is the responsibility of CWS.

Rock Creek Trunk Line Capacity Upgrade Phase 2: This project consists of replacing/upsizing approximately 1,436 linear feet of existing 15-inch diameter pipe with 18-inch diameter pipe between the two manholes noted above. This upgrade is necessary to provide capacity for future growth and expansion of the northeast portion of Sherwood (Area 48).

Ongoing maintenance of this system is the responsibility of CWS.

ENTERPRISE FUNDS

SANITARY FUND

Sanitary Capital Budget

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 4,159,555 | \$ 4,172,715 | \$ 4,246,498 | \$ 3,737,692 | \$ 3,581,853 | \$ 3,581,853 | \$ 3,581,853 |
| Revenue | | | | | | | |
| Intergovernmental | - | - | 1,143,738 | 648,360 | 761,408 | 761,408 | 761,408 |
| Charges for services | - | 70 | - | - | - | - | - |
| Infrastructure development | 149,359 | 8,159 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| Fines, interest and other | 66,171 | 89,743 | 17,652 | 16,508 | 8,700 | 8,700 | 8,700 |
| Total revenue | 215,529 | 97,972 | 1,164,390 | 667,868 | 773,108 | 773,108 | 773,108 |
| Other sources | | | | | | | |
| Transfers in | 86,314 | - | - | - | - | - | - |
| Total other sources | 86,314 | - | - | - | - | - | - |
| Total sources | 4,461,398 | 4,270,687 | 5,410,888 | 4,405,560 | 4,354,961 | 4,354,961 | 4,354,961 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 14,880 | 73,494 | 93,294 | 83,174 | 95,904 | 95,904 | 95,904 |
| Payroll taxes | 1,246 | 6,147 | 9,860 | 8,009 | 9,458 | 9,458 | 9,458 |
| Benefits | 5,155 | 17,398 | 28,238 | 24,402 | 26,880 | 26,880 | 26,880 |
| Total personal services | 21,281 | 97,039 | 131,393 | 115,585 | 132,242 | 132,242 | 132,242 |
| Materials and services | | | | | | | |
| Professional & technical | 129,140 | 342,082 | - | - | - | - | - |
| Facility and equipment | - | 2,756 | - | - | - | - | - |
| Other purchased services | 1,013 | 12,093 | 264 | 186 | 288 | 288 | 288 |
| Other materials & services | 11,248 | 76,039 | 111,193 | 98,322 | 102,661 | 102,661 | 102,661 |
| Total materials & services | 141,402 | 432,970 | 111,457 | 98,508 | 102,949 | 102,949 | 102,949 |
| Capital outlay | | | | | | | |
| Infrastructure | - | - | 677,174 | 488,714 | 1,403,329 | 1,403,329 | 1,403,329 |
| Total capital outlay | - | - | 677,174 | 488,714 | 1,403,329 | 1,403,329 | 1,403,329 |
| Debt service | | | | | | | |
| Total debt service | - | - | - | - | - | - | - |
| Total expenditures | 162,683 | 530,009 | 920,024 | 702,808 | 1,638,520 | 1,638,520 | 1,638,520 |
| Other uses | | | | | | | |
| Transfers out | 126,000 | 2,986 | 15,000 | 120,900 | 323,900 | 323,900 | 323,900 |
| Ending Fund Balance | \$ 4,172,715 | \$ 3,737,692 | - | - | - | - | - |
| Contingency | | | 4,475,864 | 3,581,853 | 2,392,541 | 2,392,541 | 2,392,541 |
| Total uses | 4,461,398 | 4,270,687 | 5,410,888 | 4,405,560 | 4,354,961 | 4,354,961 | 4,354,961 |

1/3, equivalent to about 110,000 feet of Sherwood's sanitary system is cleaned every year.

ENTERPRISE FUNDS**STORM FUND****Storm Fund**

The Storm fund consists of two departments, operations and capital. The operations department is responsible for ongoing maintenance of the stormwater utility. The Capital department is responsible for construction of stormwater infrastructure.

Storm Fund Budget in Total

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 1,656,622 | \$ 550,084 | \$ 469,479 | \$ 628,418 | \$ 843,907 | \$ 843,907 | \$ 843,907 |
| Revenue | | | | | | | |
| Intergovernmental | - | - | - | - | 350,000 | 350,000 | 350,000 |
| Charges for services | 559,283 | 1,330,431 | 1,425,348 | 1,355,899 | 1,360,000 | 1,360,000 | 1,360,000 |
| Infrastructure development | 124,677 | 13,435 | 10,236 | 3,240 | 3,000 | 3,000 | 3,000 |
| Fines, interest and other | 24,402 | 3,982 | 3,420 | 3,420 | 1,200 | 1,200 | 1,200 |
| Total revenue | 708,362 | 1,347,848 | 1,439,004 | 1,362,559 | 1,714,200 | 1,714,200 | 1,714,200 |
| Other sources | | | | | | | |
| Transfers in | 430,686 | - | - | - | 60,000 | 60,000 | 60,000 |
| Issuance of long-term debt | 500,000 | - | - | - | - | - | - |
| Total other sources | 930,686 | - | - | - | 60,000 | 60,000 | 60,000 |
| Total sources | 3,295,669 | 1,897,932 | 1,908,483 | 1,990,977 | 2,618,107 | 2,618,107 | 2,618,107 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 177,815 | 157,913 | 236,369 | 232,521 | 235,092 | 235,092 | 235,092 |
| Payroll taxes | 17,935 | 18,847 | 32,858 | 30,378 | 30,262 | 30,262 | 30,262 |
| Benefits | 54,851 | 47,659 | 76,112 | 72,963 | 85,008 | 85,008 | 85,008 |
| Total personal services | 250,600 | 224,419 | 345,339 | 335,863 | 350,362 | 350,362 | 350,362 |
| Materials and services | | | | | | | |
| Professional & technical | 2,171,379 | 143,685 | 162,498 | 162,298 | 165,396 | 165,396 | 165,396 |
| Facility and equipment | 15,763 | 13,692 | 24,684 | 19,180 | 25,216 | 25,216 | 25,216 |
| Other purchased services | 39,300 | 78,314 | 103,175 | 97,266 | 87,652 | 87,652 | 87,652 |
| Supplies | 8,209 | 15,721 | 21,876 | 21,876 | 23,100 | 23,100 | 23,100 |
| Minor equipment | 5,673 | - | 11,032 | 11,032 | 8,852 | 8,852 | 8,852 |
| Other materials & services | 119,228 | 89,149 | 164,611 | 149,991 | 184,091 | 184,091 | 184,091 |
| Total materials & services | 2,359,552 | 340,560 | 487,875 | 461,643 | 494,307 | 494,307 | 494,307 |
| Capital outlay | | | | | | | |
| Infrastructure | 1,101 | - | 100,000 | 100,000 | 600,203 | 600,203 | 600,203 |
| Vehicles | 37,450 | - | - | - | - | - | - |
| Furniture and equipment | - | - | 32,500 | 32,500 | 11,000 | 11,000 | 11,000 |
| Total capital outlay | 38,551 | - | 132,500 | 132,500 | 611,203 | 611,203 | 611,203 |
| Debt service | | | | | | | |
| Principal | 62,876 | 135,728 | 141,014 | 141,014 | 158,269 | 158,269 | 158,269 |
| Interest | 12,106 | 21,335 | 16,050 | 16,050 | 10,552 | 10,552 | 10,552 |
| Issuance costs | 1,600 | 5,684 | - | - | - | - | - |
| Total debt service | 76,582 | 162,747 | 157,064 | 157,064 | 168,821 | 168,821 | 168,821 |
| Total expenditures | 2,725,286 | 727,726 | 1,122,777 | 1,087,070 | 1,624,694 | 1,624,694 | 1,624,694 |
| Other uses | | | | | | | |
| Transfers out | 20,300 | 541,788 | 224,000 | 60,000 | 230,000 | 230,000 | 230,000 |
| Ending Fund Balance | 550,084 | 628,418 | - | - | - | - | - |
| Contingency | | | 561,706 | 843,907 | 763,413 | 763,413 | 763,413 |
| Total uses | 3,295,669 | 1,897,932 | 1,908,483 | 1,990,977 | 2,618,107 | 2,618,107 | 2,618,107 |

Storm Operations

The Storm Water Department manages and operates over 59 miles of pipe in the storm water collection and treatment system within the City.

2010-11 Accomplishments

- Cleaned 81,740 feet of storm sewer main lines.
- Cleaned 1,675 catch basins.
- Cleaned 109 water quality manholes.
- Videoed 56,725 feet of storm sewer main lines.
- Treated 1675 catch basins and collected 9 samples for prevention of West Nile Virus.
- Completed leaf curbside pickup for all public city streets and held 3 leaf drop dates at public works facility. Collected 338 yards of leaves and collected 320 lbs of canned food.
- Planted 6,323 trees in compliance with Healthy Streams program.
- Completed monthly street sweeping.

2011-12 Goals, Values, Strategies, Activities, and Performance Measures

Goal: “The City of Sherwood will provide and maintain infrastructure for its citizens to live, work and play.”

Strategies

Manage the storm water collection and treatment systems within the City of Sherwood.

Activities

- To ensure compliance with the City of Sherwood’s maintenance standards which are adopted by Clean Water Services. This work section provides all warranty video inspection of all main line construction projects (private and capital).
- Television inspection program is on a 7 year cycle and provides updated information on needed storm main line repairs and replacements.
- Clean water quality manholes twice yearly and catch basins yearly.
- Maintain maintenance program of water quality facilities and storm water filters.
- West Nile Virus Program consists of sampling, treatment, and monitoring.
- The storm pipe lines are on a 4 year cleaning cycle to prevent blockages that could cause flooding.
- Leaf Program prevents street flooding and helps minimize maintenance costs.
- Street Sweeping consists of working with independent contractors to ensure contract agreements are followed and that work progresses smoothly.
- Healthy Streams plan consists of tree planting in accordance with Clean Water Services Healthy Streams programs.

Performance Measures

- Will clean 1/4 of city storm mainlines.
- Will clean all sumped catch basins.
- Will clean water quality manholes twice yearly.
- Will CCTV 1/8 of city’s storm mainline.
- Will provide treatment of all catch basins and will sample bi-weekly from June through September for West Nile Virus Program.
- Will provide leaf curbside pickup for all public city streets during November and will hold three (3) leaf drop dates in November and December.
- Will plant 5,269 trees as required per Healthy Stream Program.
- Will complete monthly sweeping of public curbed streets.

ENTERPRISE FUNDS**STORM FUND****Storm Operations Budget**

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|-------------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$(145,278) | \$ 237,288 | \$ 315,956 | \$ 380,369 | \$ 427,999 | \$ 427,999 | \$ 427,999 |
| Revenue | | | | | | | |
| Charges for services | 559,283 | 1,330,431 | 1,350,348 | 1,155,899 | 960,000 | 960,000 | 960,000 |
| Infrastructure development | 7,892 | 172 | 240 | 240 | - | - | - |
| Fines, interest and other | 1,587 | 2,474 | 2,220 | 2,220 | - | - | - |
| Total revenue | 568,761 | 1,333,077 | 1,352,808 | 1,158,359 | 960,000 | 960,000 | 960,000 |
| Other sources | | | | | | | |
| Transfers in | 370,000 | - | - | - | 60,000 | 60,000 | 60,000 |
| Total other sources | 370,000 | - | - | - | 60,000 | 60,000 | 60,000 |
| Total sources | 793,483 | 1,570,365 | 1,668,764 | 1,538,728 | 1,447,999 | 1,447,999 | 1,447,999 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 139,036 | 144,238 | 217,856 | 218,758 | 195,732 | 195,732 | 195,732 |
| Payroll taxes | 14,681 | 17,704 | 30,860 | 29,018 | 26,457 | 26,457 | 26,457 |
| Benefits | 43,340 | 44,719 | 70,847 | 69,233 | 72,360 | 72,360 | 72,360 |
| Total personal services | 197,057 | 206,661 | 319,563 | 317,010 | 294,549 | 294,549 | 294,549 |
| Materials and services | | | | | | | |
| Professional & technical | 102,015 | 97,675 | 162,498 | 162,298 | 165,396 | 165,396 | 165,396 |
| Facility and equipment | 8,365 | 12,746 | 24,684 | 19,180 | 25,216 | 25,216 | 25,216 |
| Other purchased services | 39,085 | 77,181 | 103,070 | 97,200 | 87,568 | 87,568 | 87,568 |
| Supplies | 8,209 | 15,721 | 21,876 | 21,876 | 23,100 | 23,100 | 23,100 |
| Minor equipment | 5,673 | - | 11,032 | 11,032 | 8,852 | 8,852 | 8,852 |
| Other materials & services | 73,259 | 75,476 | 142,928 | 132,570 | 140,806 | 140,806 | 140,806 |
| Total materials & services | 236,605 | 278,800 | 466,088 | 444,156 | 450,938 | 450,938 | 450,938 |
| Capital outlay | | | | | | | |
| Infrastructure | 1,101 | - | 100,000 | 100,000 | 236,500 | 236,500 | 236,500 |
| Vehicles | 37,450 | - | - | - | - | - | - |
| Furniture and equipment | - | - | 32,500 | 32,500 | 11,000 | 11,000 | 11,000 |
| Total capital outlay | 38,551 | - | 132,500 | 132,500 | 247,500 | 247,500 | 247,500 |
| Debt service | | | | | | | |
| Principal | 62,876 | 135,728 | 141,014 | 141,014 | 158,269 | 158,269 | 158,269 |
| Interest | 12,106 | 21,335 | 16,050 | 16,050 | 10,552 | 10,552 | 10,552 |
| Issuance costs | - | 5,684 | - | - | - | - | - |
| Total debt service | 74,982 | 162,747 | 157,064 | 157,064 | 168,821 | 168,821 | 168,821 |
| Total expenditures | 547,195 | 648,207 | 1,075,215 | 1,050,729 | 1,161,808 | 1,161,808 | 1,161,808 |
| Other uses | | | | | | | |
| Transfers out | 9,000 | 541,788 | 124,000 | 60,000 | - | - | - |
| Ending Fund Balance | \$237,288 | \$ 380,369 | - | - | - | - | - |
| Equipment Replacement Reserve | | | | | 70,000 | 70,000 | 70,000 |
| Contingency | | | 469,549 | 427,999 | 216,191 | 216,191 | 216,191 |
| Total uses | 793,483 | 1,570,365 | 1,668,764 | 1,538,728 | 1,447,999 | 1,447,999 | 1,447,999 |

FY11-12 Storm Capital Projects

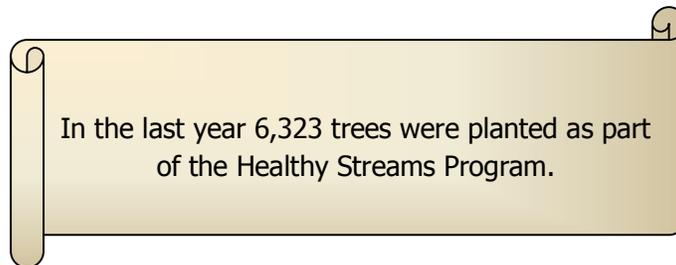
Brookman Area (Area 54/55) Upper Ladd Hill Regional Stormwater Treatment Facility

Feasibility Study and Design: The project is to define an area where a regional stormwater quality treatment facility may be located and to provide a design for its construction. These design drawings will be provided to developers for their use in development of the Brookman Area (Area 54/55). This level of work will not have any impact on Public Works maintenance staff.

Fiscal year 2011-12 includes the design of the treatment facility only. Ongoing maintenance costs will be determined after the design is completed.

Columbia Street Regional Stormwater Quality Facility: This project is identified in the City's Stormwater Master Plan. This project constructs a regional stormwater treatment facility which will provide stormwater treatment for the downtown core area not served by the stormwater treatment facility constructed as part of the Downtown Streetscapes Phase 1 project. This project will be required to be constructed within five years of the completion of Phase 1 of the Cannery project. Public Works maintenance will consist of inspection and cleaning the water quality facility to maintain its functionality. This work will be performed on a yearly basis.

Fiscal year 2011-12 includes the purchase of property only. Design and construction will be in future years as will the analysis of the impact on ongoing maintenance costs.



ENTERPRISE FUNDS

STORM FUND

Storm Capital Budget

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 1,801,900 | \$ 312,796 | \$ 153,523 | \$ 248,048 | \$ 415,907 | \$ 415,907 | \$ 415,907 |
| Revenue | | | | | | | |
| Intergovernmental | - | - | - | - | 350,000 | 350,000 | 350,000 |
| Charges for services | - | - | 75,000 | 200,000 | 400,000 | 400,000 | 400,000 |
| Infrastructure development | 116,785 | 13,263 | 9,996 | 3,000 | 3,000 | 3,000 | 3,000 |
| Fines, interest and other | 22,815 | 1,508 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| Total revenue | 139,600 | 14,772 | 86,196 | 204,200 | 754,200 | 754,200 | 754,200 |
| Other sources | | | | | | | |
| Transfers in | 60,686 | - | - | - | - | - | - |
| Issuance of long-term debt | 500,000 | - | - | - | - | - | - |
| Total other sources | 560,686 | - | - | - | - | - | - |
| Total sources | 2,502,186 | 327,567 | 239,719 | 452,248 | 1,170,107 | 1,170,107 | 1,170,107 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 38,779 | 13,675 | 18,513 | 13,763 | 39,360 | 39,360 | 39,360 |
| Payroll taxes | 3,254 | 1,143 | 1,998 | 1,360 | 3,805 | 3,805 | 3,805 |
| Benefits | 11,511 | 2,941 | 5,265 | 3,730 | 12,648 | 12,648 | 12,648 |
| Total personal services | 53,543 | 17,759 | 25,776 | 18,853 | 55,813 | 55,813 | 55,813 |
| Materials and services | | | | | | | |
| Professional & technical | 2,069,365 | 46,010 | - | - | - | - | - |
| Facility and equipment | 7,399 | 945 | - | - | - | - | - |
| Other purchased services | 215 | 1,133 | 105 | 66 | 84 | 84 | 84 |
| Other materials & services | 45,969 | 13,673 | 21,683 | 17,421 | 43,285 | 43,285 | 43,285 |
| Total materials & services | 2,122,947 | 61,761 | 21,787 | 17,487 | 43,369 | 43,369 | 43,369 |
| Capital outlay | | | | | | | |
| Infrastructure | - | - | - | - | 363,703 | 363,703 | 363,703 |
| Total capital outlay | - | - | - | - | 363,703 | 363,703 | 363,703 |
| Debt service | | | | | | | |
| Issuance costs | 1,600 | - | - | - | - | - | - |
| Total debt service | 1,600 | - | - | - | - | - | - |
| Total expenditures | 2,178,090 | 79,519 | 47,563 | 36,341 | 462,885 | 462,885 | 462,885 |
| Other uses | | | | | | | |
| Transfers out | 11,300 | - | 100,000 | - | 230,000 | 230,000 | 230,000 |
| Ending Fund Balance | \$ 312,796 | \$ 248,048 | - | - | - | - | - |
| Contingency | | | 92,156 | 415,907 | 477,222 | 477,222 | 477,222 |
| Total uses | 2,502,186 | 327,567 | 239,719 | 452,248 | 1,170,107 | 1,170,107 | 1,170,107 |

1,789 catch basins in Sherwood connect to the storm water collection and treatment system.

Telecommunications

Telecommunications supports the communication needs of the city, local businesses, school district, and residents. Services within this utility are primarily sold and managed through third party service providers. Currently there are over 40 sites within this network and over 100 miles of fiber optic cable. Telecommunications also support economic development within Sherwood and the surrounding area.

2010-11 Accomplishments

- Maintained steady revenue stream
- Established a relationship with a major Internet Service Provider and we are in the process of reselling services to them.
- Signed a memo of understanding with another fiber provider to bring redundancy to the SBB network at little to no cost to the utility.

2011-2012 Goals, Strategies, Values and Activities

Goal: Economic Development: *The City of Sherwood will promote responsible economic development which benefits the community.*

Strategies:

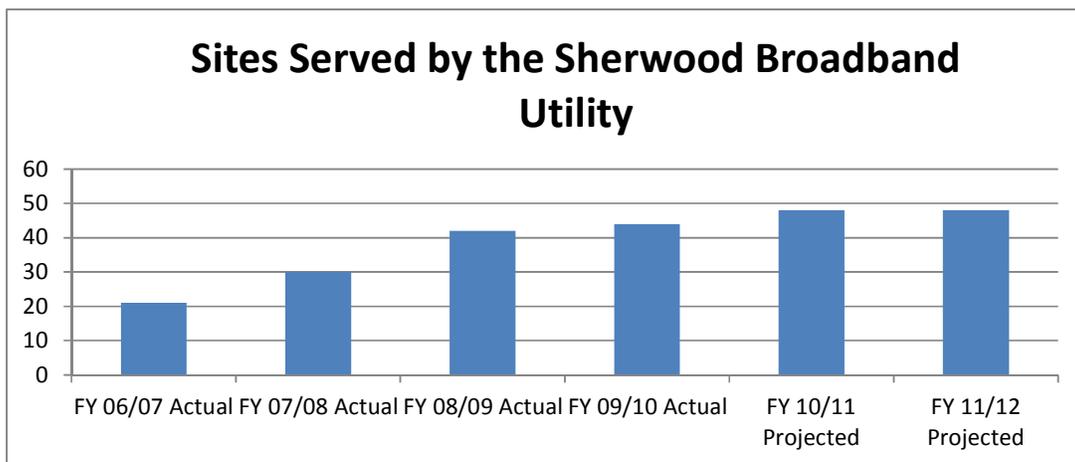
Continue to promote Sherwood Broadband to the Sherwood business community

Activities:

- Continue to involve third party Internet Service Providers
- Integrate Sherwood Broadband into applicable Economic Development activities

Performance Measures

- The number of new customers added each year



ENTERPRISE FUNDS

TELECOMMUNICATIONS FUND

Telecommunications Budget

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ (754,604) | \$ 25,342 | \$ 24,368 | \$ 56,253 | \$ 134,125 | \$ 134,125 | \$ 134,125 |
| Revenue | | | | | | | |
| Intergovernmental | - | 12,000 | - | - | - | - | - |
| Charges for services | 151,999 | 186,798 | 243,192 | 200,000 | 278,000 | 278,000 | 278,000 |
| Fines, interest and other | 72 | 229 | 240 | 240 | 12,000 | 12,000 | 12,000 |
| Total revenue | 152,071 | 199,028 | 243,432 | 200,240 | 290,000 | 290,000 | 290,000 |
| Other sources | | | | | | | |
| Transfers in | 950,000 | - | 25,500 | 25,500 | 10,000 | 10,000 | 10,000 |
| Total other sources | 950,000 | - | 25,500 | 25,500 | 10,000 | 10,000 | 10,000 |
| Total sources | 347,468 | 224,370 | 293,300 | 281,993 | 434,125 | 434,125 | 434,125 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 29,459 | 12,504 | 34,916 | 11,185 | 17,724 | 17,724 | 17,724 |
| Payroll taxes | 2,904 | 1,101 | 3,312 | 950 | 1,561 | 1,561 | 1,561 |
| Benefits | 8,819 | 3,604 | 11,819 | 3,665 | 7,164 | 7,164 | 7,164 |
| Total personal services | 41,181 | 17,209 | 50,047 | 15,800 | 26,449 | 26,449 | 26,449 |
| Materials and services | | | | | | | |
| Professional & technical | 76,097 | 31,874 | 24,992 | 23,992 | 10,040 | 10,040 | 10,040 |
| Facility and equipment | 50,174 | 42,003 | 20,324 | 26,824 | 37,956 | 37,956 | 37,956 |
| Other purchased services | 29,958 | 43,163 | 15,480 | 31,644 | 31,440 | 31,440 | 31,440 |
| Supplies | 13,325 | 63 | 15,000 | 1,000 | 15,000 | 15,000 | 15,000 |
| Minor equipment | 8,814 | 7,235 | 10,000 | 2,000 | 10,000 | 10,000 | 10,000 |
| Other materials & services | 18,997 | 4,561 | 22,907 | 6,607 | 12,644 | 12,644 | 12,644 |
| Total materials & services | 197,364 | 128,899 | 108,703 | 92,067 | 117,080 | 117,080 | 117,080 |
| Capital outlay | | | | | | | |
| Infrastructure | 55,610 | 22,010 | - | - | - | - | - |
| Furniture and equipment | 27,971 | - | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Total capital outlay | 83,580 | 22,010 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Debt service | | | | | | | |
| Total debt service | - | - | - | - | - | - | - |
| Total expenditures | 322,126 | 168,117 | 198,750 | 147,867 | 183,529 | 183,529 | 183,529 |
| Other uses | | | | | | | |
| Transfers out | - | - | - | - | 200,000 | 200,000 | 200,000 |
| Ending Fund Balance | 25,342 | 56,253 | - | - | - | - | - |
| Contingency | | | 94,550 | 134,125 | 50,597 | 50,597 | 50,597 |
| Total uses | 347,468 | 224,370 | 293,300 | 281,993 | 434,125 | 434,125 | 434,125 |

In the last 365 days Sherwood Broadband has delivered 6.64 GB's of Internet bandwidth to the City of Sherwood.

6.64 Gigabits works out to be 6,639.35 Megabits for the year. That's 829,918,750 bytes, or 6,639,350,000 bits of Internet bandwidth.

This means that each employee uses an average of 84,042,405 bits of Internet bandwidth last year.

FY11-12 General Construction Capital Projects

The General Construction Fund accounts for the acquisition and construction of capital assets that are not financed by Enterprise Funds. It includes city buildings, parks, sports fields, recreational facilities and trails.

There is no General Construction projects budgeted for fiscal year 2011-12.

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 711,230 | \$ 959,507 | \$ 145,712 | \$ 85,089 | \$ 347,783 | \$ 347,783 | \$ 347,783 |
| Revenue | | | | | | | |
| Intergovernmental | 5,000 | 291,317 | 133,522 | 290,517 | - | - | - |
| Charges for services | - | - | 24,600 | - | - | - | - |
| Infrastructure development | 1,012,409 | 124,903 | 439,992 | 100,000 | 100,000 | 100,000 | 100,000 |
| Fines, interest and other | 29,254 | 22,949 | 6,840 | 25,290 | 24,750 | 24,750 | 24,750 |
| Total revenue | 1,046,663 | 439,169 | 604,954 | 415,807 | 124,750 | 124,750 | 124,750 |
| Other sources | | | | | | | |
| Transfers in | 154,207 | 49,252 | 250,000 | 250,000 | - | - | - |
| Total other sources | 154,207 | 49,252 | 250,000 | 250,000 | - | - | - |
| Total sources | 1,912,100 | 1,447,928 | 1,000,666 | 750,896 | 472,533 | 472,533 | 472,533 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 58,813 | 34,902 | 55,602 | 55,566 | - | - | - |
| Payroll taxes | 4,930 | 2,888 | 5,882 | 5,578 | - | - | - |
| Benefits | 20,913 | 12,163 | 16,553 | 16,893 | - | - | - |
| Total personal services | 84,656 | 49,953 | 78,037 | 78,036 | - | - | - |
| Materials and services | | | | | | | |
| Professional & technical | 229,249 | - | - | - | - | - | - |
| Other purchased services | 1,894 | 200 | 204 | 204 | - | - | - |
| Community activities | 48 | - | - | - | - | - | - |
| Minor equipment | 750 | - | - | - | - | - | - |
| Other materials & services | 61,541 | 36,399 | 65,352 | 61,507 | - | - | - |
| Total materials & services | 293,482 | 36,598 | 65,556 | 61,711 | - | - | - |
| Capital outlay | | | | | | | |
| Infrastructure | - | 521,989 | 319,050 | 214,761 | - | - | - |
| Total capital outlay | - | 521,989 | 319,050 | 214,761 | - | - | - |
| Debt service | | | | | | | |
| Principal | 505,960 | 522,250 | 34,830 | 34,830 | 36,120 | 36,120 | 36,120 |
| Interest | 49,680 | 32,049 | 13,774 | 13,774 | 12,021 | 12,021 | 12,021 |
| Total debt service | 555,640 | 554,299 | 48,604 | 48,604 | 48,141 | 48,141 | 48,141 |
| Total expenditures | 933,779 | 1,162,839 | 511,247 | 403,112 | 48,141 | 48,141 | 48,141 |
| Other uses | | | | | | | |
| Transfers out | 18,814 | 200,000 | - | - | - | - | - |
| Ending Fund Balance | 959,507 | 85,089 | - | - | - | - | - |
| Contingency | | | 489,419 | 347,783 | 424,392 | 424,392 | 424,392 |
| Total uses | 1,912,100 | 1,447,928 | 1,000,666 | 750,896 | 472,533 | 472,533 | 472,533 |

APPENDICES**PERSONNEL AND MONTHLY SALARY SCHEDULE****Personnel FTE Comparison to Prior Year**

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Projected | 2011-12 Budget |
|-------------------------|-------------------|-------------------|----------------------|-------------------|
| Administration | 13.2 | 14.0 | 15.6 | 16.4 |
| Community Development | 11.5 | 10.2 | 9.5 | 8.8 |
| Public Safety | 24.9 | 24.6 | 24.6 | 26.0 |
| Community Services | 12.7 | 13.3 | 13.4 | 13.1 |
| Public Works Operations | 9.5 | 9.2 | 11.4 | 12.0 |
| General Fund Total | 71.9 | 71.3 | 74.4 | 76.4 |
| Water Operations | 2.5 | 9.1 | 7.8 | 7.8 |
| Water Capital | 0.9 | 0.7 | 0.7 | 0.4 |
| Water Fund Total | 3.4 | 9.8 | 8.4 | 8.2 |
| Sanitary Operations | 1.8 | 1.9 | 2.7 | 2.6 |
| Sanitary Capital | 0.3 | 1.3 | 1.3 | 1.5 |
| Sanitary Fund Total | 2.1 | 3.3 | 4.0 | 4.1 |
| Storm Operations | 2.7 | 3.1 | 4.4 | 4.0 |
| Storm Capital | 0.7 | 0.2 | 0.2 | 0.6 |
| Storm Fund Total | 3.3 | 3.3 | 4.6 | 4.7 |
| Street Operations | 3.2 | 2.9 | 4.2 | 4.1 |
| Street Capital | 1.4 | 0.9 | 1.8 | 2.0 |
| General Construction | 1.1 | 0.6 | 0.9 | - |
| Telecom | 0.4 | 0.2 | 0.2 | 0.3 |
| URA Operations | 1.2 | 1.1 | 1.0 | 0.8 |
| URA Capital | 0.1 | 0.4 | 0.5 | 0.5 |
| Total | 88.1 | 93.8 | 99.9 | 100.9 |

Changes to personnel for FY 2011-12

| | | |
|----------------|---|------------|
| Administration | Eliminate the Senior Accountant position | (1) |
| Building | Eliminate the Plumbing Inspector position | (1) |
| Public Safety | Eliminate the Emergency Management position | (1) |
| Public Safety | Add a School Resource Officer | 1 |
| | Total changes to personnel for FY2011-12 | <u>(2)</u> |

APPENDICES**PERSONNEL AND MONTHLY SALARY SCHEDULE****Management/Supervisory/Confidential**

| Position | Group Range | Minimum Hourly | Maximum Hourly | Minimum Monthly | Maximum Monthly |
|--|--------------------|----------------|----------------|-----------------|-----------------|
| Admin Asst III - Confidential | A1 | 18.23 | 23.34 | 3,160 | 4,045 |
| Program/Project Supervisor I Payroll Tech | A2 | 20.05 | 25.67 | 3,476 | 4,450 |
| Program/Project Supervisor II | B | 22.06 | 28.23 | 3,823 | 4,894 |
| PW Operations Supervisor Supervising Librarian Emergency Management Coord. Recreation Coordinator Program Analyst Program Project Manager I | C | 24.25 | 31.05 | 4,204 | 5,381 |
| Program Project Manager II Accounting Supervisor Water Operations Supervisor Engineering Associate II System Administrator | D | 26.45 | 33.85 | 4,584 | 5,868 |
| Civil Engineer Police Sgt (non-exempt) Planning Manager | E | 28.83 | 36.90 | 4,997 | 6,397 |
| Building Official Library Manager | F | 31.13 | 39.85 | 5,396 | 6,907 |
| Human Resource Manager Police Captain Economic Development Manager | G | 33.62 | 43.03 | 5,827 | 7,459 |
| City Engineer Community Services Director | H | 35.97 | 46.05 | 6,235 | 7,981 |
| IT Director Community Develop Director Finance Director Public Works Director | I | 38.49 | 49.27 | 6,672 | 8,541 |
| Police Chief | J | 41.19 | 52.72 | 7,139 | 9,139 |
| City Manager City Recorder Municipal Judge | Contract Employees | | | | |

APPENDICES**PERSONNEL AND MONTHLY SALARY SCHEDULE****AFSCME Represented**

| Position | Group Range | Minimum Hourly | Maximum Hourly | Minimum Monthly | Maximum Monthly |
|---|-------------|----------------|----------------|-----------------|-----------------|
| Library Page 1 Recreational Assistant | 1 | 10.53 | 13.48 | 1,871 | 2,336 |
| Library Page 2 | 2 | 12.32 | 15.77 | 2,135 | 2,734 |
| Admin Asst I Library Asst I Recreation Specialist | 3 | 14.17 | 18.14 | 2,457 | 3,145 |
| Admin Asst II Library Asst II Maintenance Worker I | 4 | 16.01 | 20.50 | 2,775 | 3,553 |
| Admin Asst III Maintenance Worker II Engineering Tech I | 5 | 17.77 | 22.75 | 3,081 | 3,943 |
| Finance Tech Code Compliance/Evidence Tech Department/Program Coordinator Maintenance Worker III Permit Specialist Public Works Tech Mechanic | 6 | 19.55 | 25.03 | 3,389 | 4,338 |
| Assistant Planner Librarian Maintenance Worker Lead Accountant Court Administrator | 7 | 21.31 | 27.27 | 3,693 | 4,727 |
| Associate Planner Engineering Associate I Inspector I | 8 | 23.22 | 29.73 | 4,026 | 5,153 |
| Inspector II | 9 | 25.08 | 32.11 | 4,348 | 5,566 |
| Senior Planner | 10 | 26.85 | 34.36 | 4,653 | 5,957 |

SPOA Represented

| Position | Group Range | Minimum Hourly | Maximum Hourly | Minimum Monthly | Maximum Monthly |
|----------------|-------------|----------------|----------------|-----------------|-----------------|
| Police Officer | 1 | 23.80 | 30.47 | 4,125 | 5,281 |

In 2010 Sherwood Police Officers made 32 drug arrests. The ages of those arrested ranged from 14-54.

The City of Sherwood Police Department is one of the top 5 fundraisers in the State of Oregon for Special Olympics.

Description of Long-Term Debt

All debt with repayment terms in excess of one year is shown on the following schedule. Debt, which the City plans to issue in fiscal year 2011-12, is shown, and debt service on planned loans is budgeted.

The debt is in two sections. The first section is City debt independent of the URA. This includes general obligation bonds and loans paid from City resources. The second section is City loans for Urban Renewal Agency projects. There are intergovernmental agreements for the URA to reimburse the City for debt service on these loans. For all debt to outside parties, "debt service expenditures to maturity" represents principal and interest payments, both of which appear as expenditures in the budget.



APPENDICES

LONG TERM DEBT

Debt Service Expenditures to Maturity

| | General Obligation Bonds | | City Loans | | |
|----------------------------|---------------------------------|---------------------------------------|-------------------|----------------------|--|
| | 2004 A&B Refunding | 2011 Police Facility Refunding | 2001 YMCA | | 2002 Public Works & Fieldhouse |
| Original Amount | \$ 6,045,000 | \$ 2,305,000 | \$ 1,461,740 | \$ 508,260 | \$ 1,900,000 |
| Balance at 6/30/11 | 3,315,000 | 2,305,000 | 712,320 | 247,680 | 287,587 |
| Payment Source | Property taxes | | Rent of Building | Parks SDC's | Unrestricted & Rates |
| Paying Fund | Debt Service | | General | General Construction | General, Water, Sanitary, Storm, and Streets |
| Year Ending June 30 | | | | | |
| 2012 | 619,238 | 268,659 | 138,451 | 48,141 | 238,110 |
| 2013 | 622,825 | 269,800 | 140,442 | 48,833 | 59,476 |
| 2014 | 621,419 | 270,550 | 138,347 | 48,104 | - |
| 2015 | 623,194 | 271,200 | 139,580 | 48,533 | - |
| 2016 | 628,594 | 270,625 | 136,714 | 47,537 | - |
| 2017 | 622,500 | 268,800 | 137,033 | 47,647 | - |
| 2018 | - | 271,750 | - | - | - |
| 2019 | - | 269,475 | - | - | - |
| 2020 | - | 270,700 | - | - | - |
| 2021 | - | 270,300 | - | - | - |
| 2022 | - | - | - | - | - |
| 2023 | - | - | - | - | - |
| 2024 | - | - | - | - | - |
| 2025 | - | - | - | - | - |
| 2026 | - | - | - | - | - |
| 2027 | - | - | - | - | - |
| 2028 | - | - | - | - | - |
| 2029 | - | - | - | - | - |
| 2030 | - | - | - | - | - |
| 2031 | - | - | - | - | - |
| 2032 | - | - | - | - | - |
| 2033 | - | - | - | - | - |
| 2034 | - | - | - | - | - |
| 2035 | - | - | - | - | - |
| 2036 | - | - | - | - | - |
| | \$ 3,737,770 | \$ 2,701,859 | \$ 830,567 | \$ 288,795 | \$ 297,586 |

APPENDICES

LONG TERM DEBT

Debt Service Expenditures to Maturity

City Loans

| | 2008 SDW Water Reservoir | 2009 Stella Olsen Culvert | 2009 SDW Water Pipeline | 2011 Bonds for Water | Total City Debt Exclusive of URA |
|----------------------------|-------------------------------------|--|--|---------------------------------|---|
| Original Amount | \$ 6,000,000 | \$ 500,000 | \$ 6,000,000 | \$ 14,165,000 | \$ 30,535,000 |
| Balance at 6/30/11 | 5,788,921 | 285,743 | 6,000,000 | 14,165,000 | 27,487,251 |
| Payment Source | Water Rates | Storm Rates | Water Rates | Water Rates | |
| Paying Fund | Water | Storm | Water | Water | |
| Year Ending June 30 | | | | | |
| 2012 | 424,079 | 109,441 | 434,870 | 637,242 | 2,032,346 |
| 2013 | 424,079 | 109,441 | 434,870 | 979,319 | 2,198,473 |
| 2014 | 424,079 | 82,081 | 434,870 | 981,619 | 2,111,114 |
| 2015 | 424,079 | - | 434,870 | 978,719 | 2,027,796 |
| 2016 | 424,079 | - | 434,870 | 980,719 | 2,025,935 |
| 2017 | 424,079 | - | 434,870 | 977,519 | 2,023,165 |
| 2018 | 424,079 | - | 434,870 | 980,069 | 1,841,036 |
| 2019 | 424,079 | - | 434,870 | 977,169 | 1,838,137 |
| 2020 | 424,079 | - | 434,870 | 979,569 | 1,840,538 |
| 2021 | 424,079 | - | 434,870 | 981,169 | 1,842,139 |
| 2022 | 424,079 | - | 434,870 | 981,969 | 1,842,940 |
| 2023 | 424,079 | - | 434,870 | 981,969 | 1,842,941 |
| 2024 | 424,079 | - | 434,870 | 980,719 | 1,841,692 |
| 2025 | 424,079 | - | 434,870 | 978,719 | 1,839,693 |
| 2026 | 424,079 | - | 434,870 | 980,919 | 1,841,894 |
| 2027 | 424,079 | - | 434,870 | 981,375 | 1,842,351 |
| 2028 | 424,079 | - | 434,870 | 980,025 | 1,841,002 |
| 2029 | 424,079 | - | 434,870 | 976,806 | 1,837,784 |
| 2030 | 424,079 | - | 434,870 | 977,494 | 1,838,473 |
| 2031 | - | - | 425,845 | 980,994 | 1,408,870 |
| 2032 | - | - | - | 977,000 | 979,032 |
| 2033 | - | - | - | 978,750 | 980,783 |
| 2034 | - | - | - | 978,500 | 980,534 |
| 2035 | - | - | - | 981,250 | 983,285 |
| 2036 | - | - | - | 981,750 | 983,786 |
| | \$ 8,057,501 | \$ 300,963 | \$ 8,688,375 | \$ 24,151,348 | \$ 42,665,735 |

APPENDICES

LONG TERM DEBT

Debt Service Expenditures to Maturity

| | City Loans for Sherwood Urban Renewal Agency Projects | | | | |
|---------------------|--|----------------------|-------------------------------|---|--------------------------------------|
| | | | | 2005 Old School & Sports Field | 2006 Downtown Streets |
| | 2003 Civic Building | 2003 OECD | 2004 Land Purchase | | |
| Original Amount | \$ 2,435,000 | \$ 5,845,708 | \$ 350,000 | \$ 830,000 | \$ 1,800,000 |
| Balance at 6/30/11 | 580,000 | 4,254,561 | 105,000 | 568,000 | 1,376,005 |
| Payment Source | URA property taxes | | | | |
| Paying Fund | Urban Renewal Agency | | | | |
| Year Ending June 30 | | | | | |
| 2012 | 305,590 | 438,486 | 39,681 | 80,336 | 175,396 |
| 2013 | 305,473 | 435,853 | 37,809 | 78,769 | 175,416 |
| 2014 | - | 437,879 | 35,983 | 80,145 | 175,398 |
| 2015 | - | 434,138 | - | 80,314 | 175,396 |
| 2016 | - | 434,738 | - | 79,334 | 175,386 |
| 2017 | - | 434,938 | - | 80,239 | 175,396 |
| 2018 | - | 434,483 | - | 80,657 | 175,395 |
| 2019 | - | 438,353 | - | 80,487 | 175,386 |
| 2020 | - | 436,313 | - | 79,830 | 175,397 |
| 2021 | - | 438,553 | - | - | 175,398 |
| 2022 | - | 434,828 | - | - | 43,849 |
| 2023 | - | 435,496 | - | - | - |
| 2024 | - | 435,234 | - | - | - |
| 2025 | - | - | - | - | - |
| 2026 | - | - | - | - | - |
| 2027 | - | - | - | - | - |
| 2028 | - | - | - | - | - |
| 2029 | - | - | - | - | - |
| 2030 | - | - | - | - | - |
| 2031 | - | - | - | - | - |
| 2032 | - | - | - | - | - |
| 2033 | - | - | - | - | - |
| 2034 | - | - | - | - | - |
| 2035 | - | - | - | - | - |
| 2036 | - | - | - | - | - |
| | \$ 611,063 | \$ 5,669,292 | \$ 113,473 | \$ 720,111 | \$ 1,797,813 |

APPENDICES

LONG TERM DEBT

Debt Service Expenditures to Maturity

City Loans for Sherwood Urban Renewal Agency Projects

| | 2006 Downtown Streets | 2010 Streets & Cannery | 2010 Cannery | Total Debt on behalf of URA | Total Debt to Outside Parties |
|------------------------|--------------------------------------|---|-------------------------|--|--|
| Original Amount | \$ 6,400,000 | \$ 7,065,000 | \$ 8,500,000 | \$ 33,225,708 | \$ 72,110,708 |
| Balance at 6/30/11 | 5,538,077 | 6,820,000 | 1,812,916 | 21,054,559 | 54,161,810 |
| URA property taxes | | | | | |
| Urban Renewal Agency | | | | | |
| Year Ending June 30 | | | | | |
| 2012 | 483,820 | 554,820 | - | 2,078,129 | 4,996,360 |
| 2013 | 485,419 | 553,345 | 425,000 | 2,497,084 | 5,586,169 |
| 2014 | 481,619 | 551,360 | 425,000 | 2,187,384 | 5,188,453 |
| 2015 | 482,619 | 553,865 | 425,000 | 2,151,332 | 5,071,507 |
| 2016 | 483,219 | 555,605 | 425,000 | 2,153,282 | 5,076,420 |
| 2017 | 483,419 | 551,580 | 425,000 | 2,150,572 | 5,063,020 |
| 2018 | 483,220 | 552,045 | 425,000 | 2,150,800 | 4,261,568 |
| 2019 | 482,619 | 551,745 | 425,000 | 2,153,590 | 4,259,183 |
| 2020 | 481,619 | 555,680 | 425,000 | 2,153,839 | 4,263,057 |
| 2021 | 484,863 | 553,595 | 425,000 | 2,077,409 | 4,187,827 |
| 2022 | 482,263 | 555,768 | 425,000 | 1,941,708 | 3,782,626 |
| 2023 | 484,088 | 553,563 | 425,000 | 1,898,147 | 3,739,065 |
| 2024 | 485,276 | 550,660 | 425,000 | 1,896,170 | 3,735,838 |
| 2025 | 480,656 | 552,060 | 425,000 | 1,457,716 | 3,295,384 |
| 2026 | 485,343 | 552,530 | 425,000 | 1,462,873 | 3,302,741 |
| 2027 | 484,156 | 552,070 | 425,000 | 1,461,226 | 3,301,550 |
| 2028 | - | 555,680 | 425,000 | 980,680 | 2,819,654 |
| 2029 | - | 553,128 | 425,000 | 978,128 | 2,813,883 |
| 2030 | - | 554,645 | 425,000 | 979,645 | 2,816,088 |
| 2031 | - | - | 425,000 | 425,000 | 1,831,839 |
| 2032 | - | - | 425,000 | 425,000 | 1,402,000 |
| 2033 | - | - | - | - | 978,750 |
| 2034 | - | - | - | - | 978,500 |
| 2035 | - | - | - | - | 981,250 |
| 2036 | - | - | - | - | 981,750 |
| | \$ 7,734,218 | \$ 10,513,744 | \$ 8,500,000 | \$ 35,659,714 | \$ 84,714,479 |

Debt Margin

| | |
|---|-------------------------|
| Total assessed value on January 1 2010: | <u>\$ 1,478,503,863</u> |
| Debt limitation: 3% of total assessed value | 44,355,116 |
| Debt outstanding at July 30, 2011: | |
| General obligation bonds outstanding | \$ 5,690,000 |
| Less amount available for repayment of general obligation bonds | <u>(2,142)</u> |
| Net debt outstanding that is subject to limitation | <u>5,687,858</u> |
| Amount of general obligation bonds that could be issued | <u>38,667,258</u> |

Transfers

| <u>Transfer from:</u> | <u>Transfer to:</u> | | | | | |
|-----------------------|-----------------------|----------------------|----------------------|----------------------|------------------------|-----------------------|
| Fund | General Fund | Water Fund | Sanitary Fund | Storm Fund | Street Operations Fund | Street Capital Fund |
| 1 General | | | | | 200,000 | |
| 2 Telecom | 200,000 | | | | | |
| 3 Asset Depreciation | 53,998 | 25,000 | 50,000 | 60,000 | 29,000 | |
| 4 Water | | | | | | 230,000 |
| 4 Sanitary | | | | | | 323,900 |
| 4 Storm | | | | | | 230,000 |
| 5 Telecom | | 10,000 | | | | |
| Total | <u>\$ 253,998</u> | <u>\$ 35,000</u> | <u>\$ 50,000</u> | <u>\$ 60,000</u> | <u>\$ 229,000</u> | <u>\$ 783,900</u> |

Purpose:

- 1 Transfer funds from General fund to Street Operations for pavement management.
- 2 Payment to the General fund on interfund loan.
- 3 Closing the Asset Depreciation fund, returning money to the original funding sources.
- 4 Water, Sanitary, and Storm portions of the Adams and Pine street capital projects.
- 5 Payment to Telecom for the Broadband services used by the Water fund.

City of Sherwood Budget Process

The strategic planning process begins anew each October as the City Manager and Management Team meet to identify assumptions for the long term and update department objectives for the next five years.

The objective throughout the budgeting process is to strive to achieve the City's mission, values, and goals.

The mission statement is: *"The City of Sherwood will provide services and infrastructure to support the highest quality of life for our residents, businesses, and visitors in a fiscally responsible manner."*

Work on the annual budget begins in December, when forecasts for revenues and expenditures for the General Fund and Enterprise Funds are updated. The Capital Improvement Plan is updated for the next five years.

In January the City Council has planning meetings to decide Council goals, priorities, and policies.

After the Council planning meetings, any necessary modifications are made to the departmental objectives articulated earlier.

The Oregon State Department of Revenue has broken down the budget process into nine steps. They are as follows:

1. Appoint Budget Officer - Every local government is required to have a Budget Officer, either appointed by the governing body or designated in its charter.
2. Prepare a Proposed Budget – The Budget Officer is responsible for the preparing of the proposed budget presentation to the Budget Committee.
3. Budget Officer publishes notices – Upon completion of the budget a "Notice of Budget Committee Meeting" is advertised either in the local newspaper, by mailing or hand delivery. ORS requires that if the notice is published in a newspaper it must be published at least twice, five to 30 days before the scheduled budget committee meeting, if the notice is mailed or hand delivered, it must be done not later than 10 days prior to the meeting date.
4. Budget Committee Meets – The Budget Officer presents the budget message and the proposed budget document to the Budget Committee for further review.
5. Committee Approves the Budget – When the Budget Committee is satisfied that the proposed budget will meet the needs of the citizens of Sherwood they will forward this to the City Council for adoption.
6. Notice of Hearing and Financial Summary – After the budget is approved, a budget hearing must be held. The Budget Officer must publish a summary of the budget approved by the Budget Committee and notice of budget hearing five to 30 days before the scheduled hearing.
7. Budget Hearing held – The budget hearing must be held by the governing body on the date specified on the public notice and must allow for public testimony.

8. Adopted Budget, Make Appropriations, Levy Taxes – The governing body may make changes in the approved budget before or after it is adopted, but no later than the beginning of the fiscal year to which the budget relates. However, there are limitations to these changes.
 - a. Taxes may not be increased beyond the amount approved by the budget committee.
 - b. Estimated expenditures in a fund may not be increased by more than \$5,000 or 10 percent, whichever is greater.

9. Budget filed and Levy Certified to Assessor – The final step in the budget cycle is to certify any necessary property tax levy.

Budget Calendar

| Event | Lead Person/Group | Date |
|--|-------------------------------------|-------------|
| Draft budget ready for City Manager review | Budget Officer | March 15 |
| Proposed budget to the Budget Committee | Budget Officer | April 18 |
| 1st Budget Committee meeting with public comment | Budget Committee | April 27 |
| 2nd Budget Committee meeting | Budget Committee | May 4 |
| 3rd Budget Committee meeting and budget approval | Budget Committee | May 11 |
| Approved budget delivered to the City Council | Budget Officer | June 1 |
| Public hearing and adoption of the approved budget | City Council | June 7 |
| Adopted budget available | Budget Officer | July 1 |
| Review current year actuals and projections with the Budget Committee. | Budget Officer and Finance Director | December |

Budget Changes after Adoption

By Oregon law, all City funds must be appropriated. Appropriations, the legal authority to spend, are by division in the General, Water, Sanitary, Storm, and Street Funds and by type (e.g. materials and services) for all other funds.

Appropriations may be changed during the fiscal year, within the limitations imposed by budget law. City staff monitors actual events and recommends changes as needed. The City Council makes changes by resolution. Changes are categorized as resolution transfers or supplemental budgets.

A resolution transfer decreases an existing appropriation and increases another by the same amount. A typical example is to reduce contingency and increase materials and services. The second type of change, a supplemental budget, typically creates a new appropriation, funded by increased revenues. Supplemental budgets are used for occurrences or conditions which were not known at the time the budget was prepared which require a change in financial planning. Supplemental budgets require a public hearing; resolution transfers do not. Directors and managers may amend their budgets for individual accounts without Council approval so long as appropriations at the legal level of control are not changed.

Measurement Focus and Basis of Accounting

Consistent with Oregon budget law, the City budgets current financial resources on a modified accrual basis in all funds. The budget shows sources and uses of resources; that is, increases and decreases in the amount available to spend. Ending fund balance represents spendable resources available for the subsequent budget year. This differs from the accounting used by businesses. Businesses measure net income, on an accrual basis.

As a practical matter, the essential differences between governmental and business accounting are the treatment of long-term debt and capital assets:

- When the City borrows money, it records the debt proceeds as a source of resources. Principal payments are recorded as a use. In a business, the debt would not appear in the budget; it would be recorded as a liability, and principal payments would reduce the liability.
- When the City buys a vehicle, building, or other capital asset, the cost is a use of resources. Depreciation is not recorded. In a business, the purchase would not appear in the budget; it would be recorded as an asset. Depreciation expense would be budgeted and recorded over the useful life of the asset.

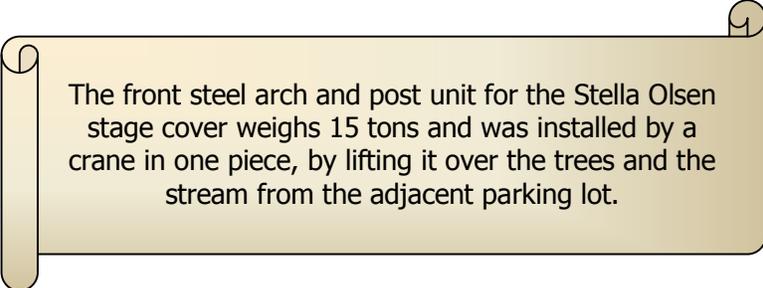
Generally accepted accounting principles (GAAP) for governments require that the enterprise funds be accounted for in the same way as businesses. Consequently, actual results for the enterprise funds are shown on both the budgetary (current financial resources and modified accrual) and GAAP basis (economic resources and accrual) in the City's annual financial report.

2010-11 Budget and 2010-11 Projected

As required by Oregon budget law, the 2010-11 budget columns shows the adopted budget after changes made by the City Council during the year. The 2010-11 projected columns show the latest forecast of activity through June 30, 2011.

Fund Balance and Contingency

Fund balance represents available spendable resources, at the beginning or end of the fiscal year. Oregon budget law provides that the difference between sources and uses for the year be budgeted as un-appropriated ending fund balance or contingency. The City budgets all excesses as contingency. If it is not appropriated during the year, contingency will be the amount of ending fund balance at June 30.



The front steel arch and post unit for the Stella Olsen stage cover weighs 15 tons and was installed by a crane in one piece, by lifting it over the trees and the stream from the adjacent parking lot.

Financial Policies

Purpose

In order to carry out the mission of the City of Sherwood and support the City's values, this set of financial policies has been created by the City of Sherwood.

The purpose of these financial policies is to provide a cohesive long term approach to financial management of the City of Sherwood. These policies establish a means for guiding today's financial decisions in order to achieve the mission of the City of Sherwood in a manner that reflects the City's values.

Goal

The goal of these policies is to provide the financial stability needed to navigate through economic changes, adjust to changes in the service requirements of the community and respond to other changes as they affect the City's residents.

Responsibilities

1. **Stewardship:** The City of Sherwood is a steward of public funds. These funds are entrusted to the City through the payment of taxes, fees, and fund transfers from other governments. The City of Sherwood is responsible for using all funds efficiently and effectively and for the purposes for which they were intended.
2. **Asset Protection:** The assets of the City of Sherwood exist in a variety of forms. All these assets must be protected through an effective accounting and internal control System. The System must track assets and document the costs of acquisition, maintenance, and replacement.
3. **Legal Conformance:** The City of Sherwood is subject to federal, state, and local statutes and rules regarding purchasing, entering into debt, budgeting, accounting, and auditing: regulations that govern virtually all financial transactions. The City also voluntarily enters into contracts which include significant financial and operational covenants. The City of Sherwood is responsible for conforming to laws, rules, and covenants to which it is subject.
4. **Standards:** The Government Finance Officers Association (GFOA) and the Governmental Accounting Standards Board (GASB) set polices and guidelines for public sector accounting and financial reporting. The City of Sherwood is responsible for adhering to the requirements of these organizations and for seeking guidance from policies, standards and best practices set forth by these organizations.
5. **Authority:** The Sherwood City Council is the sole authority for deleting, modifying, or adding to these policies. Every two years the Council shall engage the Budget Committee to review and update these policies'

Financial Policies**Policy I. Funds**

1. The City of Sherwood will maintain an orderly and logical fund structure that provides stakeholders with ready access to financial information
2. The City of Sherwood will conform to Generally Accepted Accounting Principles (GAAP) and the Government Finance Officers Association's best practices for establishing and maintaining funds.
3. The City of Sherwood will establish and maintain those funds required by law and sound financial administration. Acknowledging that unnecessary funds result in inflexibility, complexity, and inefficient financial administration, only the minimum number of funds consistent with legal and operating requirements will be established.
4. The criteria for establishing a new fund are variable, but include triggers such as;
 - a. Inauguration of a new dedicated revenue stream and a concurrent service.
 - b. The need for increased clarity of financial information.
 - c. The establishment of a new enterprise.
 - d. Covenants embodied in financing agreements.
 - e. Changes in state law or financial management/accounting standards
5. Only the Sherwood City Council has the authority to create or delete funds. The Council shall create or delete funds by resolution.

Policy II Budgeting

1. The City of Sherwood budget process shall consist of activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital assets.
2. The purpose of the budget process is to help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process.
3. The City of Sherwood budget process shall:
 - a. Incorporate a long term perspective (minimum three fiscal years)
 - b. Establish linkages to broad organizational goals
 - c. Focus budget decisions on results and outcomes
 - d. Involve and promote effective communication with stakeholders
4. All budgetary procedures will conform to existing state and local regulations. Oregon budget law requires each local government to prepare a balanced budget and Oregon Administrative Rules state:
 - a. The budget must be constructed in such a manner that the total resources in a fund equal the total of expenditures and requirements for that fund, and
 - b. The total of all resources of the municipality must equal the total of all expenditures and all requirements for the municipality.

Financial Policies

5. A cost allocation plan will be developed and incorporated into the City of Sherwood budget. The cost allocation plan will be the basis for distribution of general government and internal service costs to other funds, divisions, and capital projects.
6. The Sherwood City Council shall adopt the budget at the fund, departmental or program level (as appropriate to each fund) as a total dollar amount for all appropriations except contingency, unappropriated ending fund balance and reserves, which shall be stated separately.
7. Interfund Transfers shall be kept to a minimum. Interfund loans shall be documented in a resolution that cites the terms of the loan.
8. As part of the annual budget process the City of Sherwood will maintain a three year revenue and expenditure forecast. This forecast will be created using an objective, analytical process incorporating applicable projections from the State of Oregon's latest Economic Forecast and conservative assumptions where State developed data is not available. Revenues will be estimated realistically and prudently using best practices as defined by the Government Finance Officers Association. Revenues shall be forecasted conservatively.
9. Oregon budget law provides a means to adjust the budget for emergency expenditures or unforeseen circumstances. All resolutions adjusting the budget will be prepared by the Finance department for City Council approval to ensure compliance with budget laws.
10. Prior to submittal to City Council, the Budget Officer will convene the Budget Committee to review supplemental budget resolutions. If time does not allow for this action, Budget Committee members shall be informed of the City Council's action on the resolution promptly.
11. A mid-year review process will be conducted by the City Manager and Finance Director in order to make any necessary adjustments to the adopted budget.
12. In the City's effort to strive for excellence, the City of Sherwood will make every effort to obtain the Award for Distinguished Budget Presentation from the Government Finance Officers Association (GFOA).
13. Reports comparing actual to budgeted expenditures will be prepared quarterly by the Finance Department and distributed to the City Council, City Manager and Department Directors.

Policy III Revenue

1. City of Sherwood revenues are either unrestricted or dedicated. Unrestricted revenues can be used for any purpose. Dedicated revenues are restricted in the ways they can be used by federal or state regulations, contractual obligations, or by City Council action. The City of Sherwood will adhere to the restrictions applied to dedicated revenues.
2. The City of Sherwood will maintain a diversified revenue stream that is managed strategically to mitigate the impact of short term fluctuations in any revenue source.
3. The City of Sherwood will identify sustainable revenue levels and, to the extent possible, current operations will be funded by current sustainable revenues.
4. One-time revenues will be used for one-time expenditures or as contributions to reserves and will not be used to pay for established services.

Financial Policies

5. The City of Sherwood will not respond to long-term revenue shortfalls with deficit financing and borrowing to support established services. Expenses will be reduced and/or revenues will be increased to conform to the long-term revenue forecasts
6. During the budget process, the Sherwood City Council will identify those programs which are to be supported in whole by cost recovery and ensure that revenue collections reflect the cost of providing associated services by adjusting fees accordingly.
7. The City of Sherwood will charge fees for services where such an approach is permissible, and where a limited and specific group of beneficiaries who can pay such charges is identifiable.
8. New or expanded unrestricted revenue streams should first be applied to support existing programs. When existing programs are adequately funded, such revenue may be used as contributions to reserves or to fund new or expanded programs.

Policy IV Expenditures**Controls**

1. By resolutions, the City Council will establish a purchasing policy that conforms to state statutory requirements for purchasing and contracting and invests the City Manager with purchasing and contracting authority.
2. By Budget and Supplemental Budget Resolutions, the City Council shall establish and limit expenditure appropriations by statutory categories. The City Manager shall be responsible for limiting expenditures to those appropriation levels.

Specific Expenditures

1. **Personal Services.** Pursuant to the City Charter, the City Manager or designee is responsible for the management of employee staffing and compensation. The City Manager or designee shall negotiate salaries and benefits for represented employee groups in conformance with the Oregon Public Employees Collective Bargaining Act and the Employee Relations Board decisions and arbitration decisions that emanate from the Act.
2. **Capital Improvement Impacts.** Whenever Capital Improvement expenditures will result in increases to future operating expenses or asset replacement contributions, estimates of those impacts shall be incorporated into the long term financial plan.
3. **Capital Outlay.** By resolution the City Council shall define the characteristics of a capital asset by specifying the minimum purchase price and minimum term of service. The City will provide for adequate maintenance of Capital Assets. The City will make annual contributions to the Asset Depreciation Fund to ensure that monies will be available as needed to replace Capital Assets.
4. **Capital Improvement Plan.** The City Manager or designee will prepare a five-year Capital Improvement Plan (CIP) annually and submit it to the City Council for approval via resolution.

Financial Policies

Policy V. Revenue Constraints and Fund Balance

Nature of Constraints

The City of Sherwood will maintain the following categories of revenue constraints in conformance with GASB 54. Fund Balances shall be accounted for on the basis of these categories.

1. **Non-spendable.** Assets that are not in a spendable form or are required to be maintained intact.
2. **Restricted.** Cash that can be spent only for specific purposes stipulated by third parties or by statutes. Only the constraining party can lift constraints on Restricted funds.
3. **Committed.** Cash that can be used only as directed by formal action of City Council. Council action may be in the form of a motion or resolution. Only the City Council can lift constraints on committed funds. Such a change must be made using the same action that established the constraint.
4. **Assigned.** Cash the City intends to use for specific purposes. The City Council delegates the authority to create this constraint to the City Manager. In addition, for all funds except the general fund, all cash not in one of the Non-spendable, Restricted, or Committed categories, or specifically assigned under this category will, by default be assigned to this category.
5. **Unassigned.** General Fund cash that is not otherwise categorized fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications.

Other Considerations

1. **Stabilization.** The purpose of stabilization arrangements is to provide a revenue source to maintain service delivery during periods of diminished revenues. The City may choose to create stabilization arrangements either by creating new funds or dedicating revenues within existing funds. Stabilization arrangements will be created by the City Council and the authorizing legislation shall include the policies on funding and accessing the arrangement.
2. **Order of Use.** If multiple categories of fund balance are applicable to an expenditure, the City shall access funds in the following order: Restricted, Committed, Assigned, Unassigned.
3. **Purpose of Special Revenue Funds.** Special Revenue funds are general government funds created to track the use of dedicated revenues. The City legislation creating a special revenue fund will specify which specific revenues and other resources are authorized to be reported in the fund.
4. **Fund Balance.** Unrestricted fund balance is the sum of Committed, Assigned and Unassigned fund balance in any individual fund. In the General Fund, the City will maintain an Unrestricted fund balance of at least ten percent of fund revenue and will strive to increase that amount by 1.5% annually to a goal of 20%.

Debt***Operating loans***

The City will borrow only to finance capital assets. The City will not borrow for operating purposes.

Debt

No bonds will mature more than 20 years from the date of issuance. No debt will be issued with a life exceeding the estimated useful life of the capital assets being financed. The City will limit bonded debt to 3% or less of total assessed value, as required by ORS 287.004. Repayment sources are identified for every debt prior to issuance.

Cash and Investments

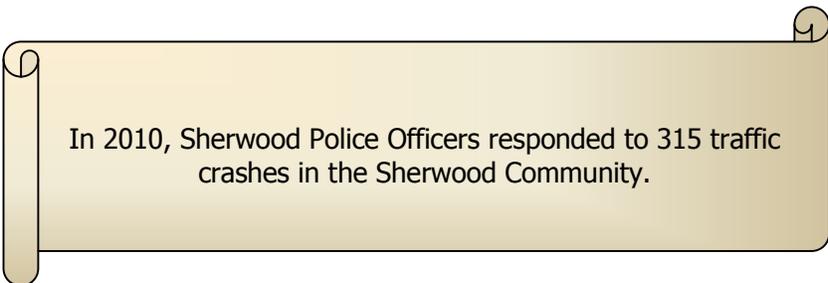
Cash balances are insured and collateralized. Cash in excess of immediate needs is invested in the Oregon State Treasury's Local Government Investment Pool.

Capital Assets

The capital asset inventory is updated annually. Capital asset purchases – items other than those constructed as part of the CIP -- are incorporated in the long-term financial forecasts.

Accounting Structure

The account structure, cost accounting processes, and internal controls are documented.



In 2010, Sherwood Police Officers responded to 315 traffic crashes in the Sherwood Community.

Glossary

Activity - A task, general or specific, undertaken to accomplish objectives, operate programs, or complete projects.

Adopted Budget - The final budget appropriations approved by the City Council, which becomes the budget of the City.

AFSCME - American Federation of State, County and Municipal Employees. One of the union organizations representing the bargaining employees of the City.

Accrual basis - A method of timing in the recognition of transactions and events. Please see Modified accrual basis for the alternative method. Accrual basis records revenue when earned and expenses as soon as a liability is incurred.

Approved Budget – The budget recommended by the Budget Committee for adoption by the City Council.

Appropriation - Authorization to spend a specific amount of money. The City Council gives appropriation authority by adopting the budget.

Assessed value - The value set on real and personal property as a basis for imposing taxes. Assessed values are determined by Washington County.

Budget – A plan of financial operation embodying an estimate of proposed expenditures for a given purpose and/or period. The budget is the financial plan of the City's allocations of the resources to provide services, and to accomplish the City's objectives.

Budget Calendar – The schedule of key dates, or events which a government follows in the preparation and adoption of the budget.

Budget Committee - A committee required by Oregon Local Budget Law (ORS 294.305) which must recommend a budget and approve the maximum tax levy.

Budget Message – A written explanation of the budget and the City's financial priorities presented to the Budget Committee by the City Manager which is required by Oregon Local Budget Law, ORS 294.

Budget Officer - The Finance Director or other person appointed by the City Council to prepare the proposed budget. This designation is required by Oregon Local Budget Law (ORS 294.305)

CAFR - The Comprehensive Annual Financial Report, the audited report of the City's finances for the fiscal year.

Capital Lease - Lease of a capital asset. The lease may or may not result in the City's ownership of the item at the end of the lease term.

Capital Assets - Items which have a useful life of two or more years and a cost of \$5,000 or more. These include land, infrastructure, buildings, improvements other than buildings, vehicles, and certain furniture and equipment.

Capital Budget - The budget for capital projects, as opposed to operations.

Capital Improvement Plan (CIP) - A schedule of planned capital projects and their costs, for three or more years.

Capital Outlay - Expenditures for capital assets. Includes all purchased capital assets. Expenditures for constructed capital projects appear in capital outlay, materials and services, and reimbursements, depending on the nature of the expenditure.

Capital Projects – Projects which purchase or construct capital assets. Typically a capital project encompasses a purchase of land and/or the construction of a building or facility.

COLA - Cost of living. A COLA increases all salaries at all classes and steps by the same percentage.

Contingency - An amount set aside for unforeseen spending that may become necessary. If the contingency is not used, it will be the amount of fund balance at the end of the fiscal year.

CWS - Clean Water Services, the regional sewer treatment entity. CWS is a County Service District, defined by ORS 451. The City of Sherwood owns and operates sewer and storm water pumping and transmission facilities; CWS receives and treats the wastewater.

Debt Service - Principal and interest payments on long-term debt.

Division - An organizational unit with a distinct budget.

Depreciation - Expensing the cost of a capital asset over its useful life.

Department – Units within a division consisting of one or more.

Enterprise Funds - A fund that accounts for operations that are financed and operated in a manner similar to private business enterprises. They are usually self-supporting. The City's enterprise funds are the Water, Sanitary, Storm, Street, and Telecommunications funds.

Fiscal Year - The twelve month period to which the operating budget applies. The City's fiscal year is July 1 through June 30.

Franchise Fee – Fees charged to utilities for the use of public right-of-way.

FTE - Full-Time Equivalent position. A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year.

Fund - A fiscal and accounting entity, segregating resources for the purpose of carrying on specific activities in accordance with legal restrictions.

Fund Balance - The amount of available, spendable, financial resources in any given fund at a specified date.

GASB - The Governmental Accounting Standards Board, the body that defines generally accepted accounting principles for governments.

General Fund – The City's primary operating fund. There are no restrictions as to the purpose in which the revenues in this fund can be used.

General Obligation Bond (G. O. Bond) – A government pledge of full faith and credit to the repayment of the bonds issued by the government. They are usually issued to pay for general capital improvements.

GFOA – Government Finance Officers Association.

GIS - Geographic information system, a computerized mapping program.

Goal – A statement of direction, purpose or intent based on the needs of the community, generally to be completed in a specified amount of time.

Grant – A donation or contribution by one government unit or organization to another. This is usually made to aid a specified purpose.

Infrastructure - Infrastructure are assets that are immovable and of value only to the City. It includes roads, bridges, curbs and gutters, sidewalks, drainage systems, lighting systems, and water and sewer systems.

Interfund Transfer - A loan made by one fund to another and authorized by the City Council.

Levy - The amount of property tax certified by the City Council.

Local Improvement District (LID) - A specific geographic area in which debt service for bonds issued to construct public infrastructure are repaid by assessments on the specific properties benefited by the improvements.

Materials and Services – Expendable items purchased for delivery of services. This includes supplies, repairs, maintenance and replacement parts that are not of capital nature.

Mission – Defines the primary purpose of the City.

Modified Accrual - A method of timing in the recognition of transactions and events. Please see Accrual basis for the alternative method. Modified accrual basis records revenue when earned, if they are collectible within the period or soon enough afterwards to be used to pay liabilities of the period. Expenditures are recorded when a liability is incurred except that debt service payments and other specific accrued liabilities are recognized only when payment is due.

Objective - What we want to accomplish. City-wide objectives are longer term than one year, cross departments, and/or are comprehensive in scope.

Operating Budget - Sources and uses necessary for day-to-day operations.

Ordinance – A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

ORS - Oregon Revised Statutes, laws of the State of Oregon.

PEG - Public, Educational and Governmental Access Channel designations for cable television. Certain franchise fee revenue from cable providers is restricted to the costs of providing such access.

Performance Measure – Data collected to determine how effective or efficient a program is in achieving its objectives.

PERS - Public Employees Retirement System. A State of Oregon defined benefit pension plan to which both employees and employer contribute.

Personal Services - Expenditures for payroll, payroll taxes, and employee benefits.

Phase - A segment of a project, typically defined by set of related activities or a given period of time.

Program - A definable function. Programs may be ongoing or time limited, within or across departments, and relate to single or multiple objectives. Also refers to a cluster of related departments, such as the Community Development program.

Project - Projects are distinct, with a definable result, process, and beginning and end. Projects are capital or operating.

Property Tax Levy – Based upon the assessed value of property and is used as the source of monies to pay general obligation debts and to support the general fund.

PSU - Portland State University. The University prepares populations estimates each July 1 for all Oregon Municipalities.

Reimbursements - Repayments from the funds and departments responsible for particular expenditures to the funds and departments that initially paid for them. Reimbursements increase expenditures in the reimbursing fund and department, and decrease expenditures in the reimbursed fund and department.

Reserve Fund - A fund, defined in Oregon budget law, which accumulates monies from year to year for a specific purpose. The City's Asset Depreciation Fund is a reserve fund.

Resolution – An action by the governing body which requires less formality and has a lower legal status than an ordinance.

Restricted Revenue - Revenue that may be expended only in accordance with limitations imposed by State statute, City Ordinances or Resolutions, or other legal restriction.

Revenue – The gross receipts and receivables that the City receives such as: tax payments, licenses, fines and forfeitures, grants and interest income.

Revenue Bonds – Bonds issued pledging future revenues. Usually water, sewer, or storm drainage charges, to make debt service payments.

System Development Charges (SDC) - Fees charged upon issuance of building permits to offset the cost of infrastructure improvements that are or will be required to provide capacity to serve the development. SDC's are charged for parks, water, sanitary, storm, and streets.

Sources - Financial resources that are or will be available for expenditure during the fiscal year.

SPOA - Sherwood Police Officers' Association union.

Supplemental Budget – Appropriations established to meet the needs not anticipated at the time the budget was adopted.

TIF - Traffic Impact Fee, a regional SDC. TIF's are governed by Washington County, but collected and used on development within Sherwood by the City.

Transfers - Amounts moved from one fund to finance activities in another fund, with no requirement of repayment.

TRNWR - Tualatin River National Wildlife Refuge. The Refuge lies in and outside the northwest edge of Sherwood.

TSP - Transportation System Plan. A long-range plan for transportation needs and facilities.

TVWD - Tualatin Valley Water District, a regional water supplier. TVWD contracted to operate Sherwood's water utility in October 2000. The contract is for 5 years, with renewal options.

UGB - Urban Growth Boundary. A statewide land use designation that limits the geographic spread of certain types of development.

Unrestricted Revenue - Revenue that may be used for any legitimate City purpose. Please refer to "restricted revenue".

URA - The City of Sherwood Urban Renewal Agency. The Agency is a municipal corporation distinct from the City. The Sherwood City Council serves as the Board of Directors for the URA, and its' budget may be obtained from the City of Sherwood.

URD - The urban renewal district, the geographic area encompassed by the City of Sherwood Urban Renewal Agency.

User Charges - A fee charged for services to a person who directly benefits from the service.

Uses - The ways in which financial resources will be used during the fiscal year.

WCCLS - Washington County Cooperative Library Services. This regional entity receives property taxes from each city in the consortium. The money is used to fund county-wide services such as the circulation software and interlibrary loan. A portion is returned to each city based on a formula that includes circulation, open hours, and other service-related measures.

City of Sherwood, Oregon Urban Renewal District

22560 SW Pine Street

Sherwood, OR 97140

Adopted Budget

2011-2012



Budget Committee

Board of Directors

Board Chair
Board President
Board Member
Board Member
Board Member
Board Member
Board Member

Keith Mays
Dave Grant
Bill Butterfield
Robyn Folsom
Linda Henderson
Matt Langer
Dave Luman

Citizens

Chair
Vice Chair
Citizen Member
Citizen Member
Citizen Member
Citizen Member
Citizen Member

Kimberly Rocha-Pearson
Ivonne Pflaum
Irene Baker
Timothy Carkin
Perry Francis
Steve Munsterman
Lynette Waller

District Administrator
Finance Director/Budget Officer

Jim Patterson
Craig Gibbons

www.ci.sherwood.or.us

Budget Message for FY 2011-12

The City of Sherwood Urban Renewal Agency (URA) is a legally separate entity from the City. The Sherwood City Council serves as the Board of Directors for the URA and is financially accountable for its operations. In accordance with Oregon budget law, the URA prepares its own budget, and the Board of Directors approves its annual appropriations.

Urban renewal agencies are designed to borrow money and make expenditure for economic and community development projects included in the Urban Renewal Plan. When the Sherwood Urban Renewal Plan was adopted in 2000, property values were frozen. The taxes collected on that frozen value continues to flow to the taxing authorities (City, County, Schools, TVF&R, etc.). The taxes collected on increased property values that occur with NEW development generate incremental tax revenue. This tax increment is then used to repay the URA debt and implement the URA plan.

Urban Renewal Tax Collections are not an additional tax, and do not take revenue away from other taxing districts. Urban Renewal Tax Collections are used to initiate development that would not be financially feasible without infrastructure improvements made possible by urban renewal financing.

2010-11 Accomplishments

- Façade Grants totaling \$37,863 for Let's Make Music and Bella Via.
- Oregon Infrastructure Financing Authority Cannery Loan was approved.
- Cannery PUD was approved and construction has commenced.
- The non-profit, Businesses of Old Town Sherwood (BOOTS) was formed and a Resource Assistance for Rural Environments (RARE) intern was in position for 10 months, successfully promoting Old Town through events and marketing.
- Completed two Small Business Workshop series in the fall and spring.

2011-2012 Goals, Strategies, Values and Activities

Goal: *The City of Sherwood will promote responsible Economic Development which benefits the community*

Strategies:

Support existing businesses and recruit additional businesses that provide local family wage jobs.

Activities

- Coordinate Cannery Redevelopment
- Promote Sherwood through Business Oregon, Regional Partners, and OEDA involvement
- Promote Oregon Prospector listing of commercial and industrial sites
- Assist with BOOTS efforts in the implementation of the Old Town Marketing Plan
- Strategize with PCC and the Chamber to provide additional business training

Performance Measures

- Complete Cannery Project streets, infrastructure, and Plaza construction
- Track number of recruitment proposals
- Track business retention visits
- Track number of properties listed

- Increase in number of businesses in Old Town
- Hold additional Small Business Workshops in the Fall and Spring

Develop the infrastructure and services necessary to support economic development in Sherwood.

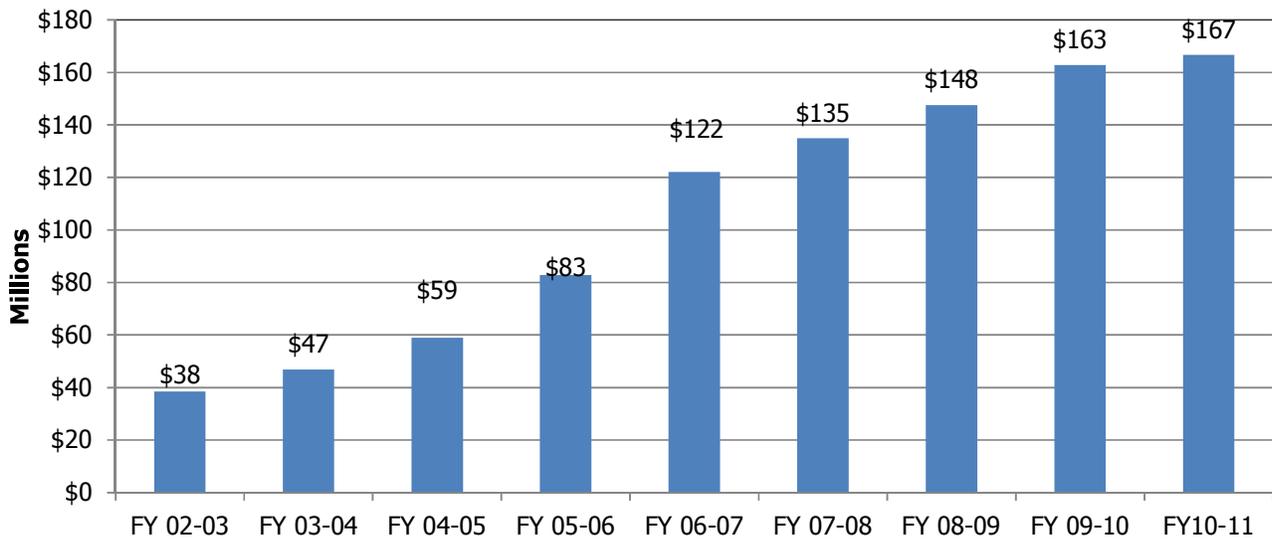
Activities

- Implement an infrastructure Financing Plan for the Urban Renewal District
- Develop URA Plan expansion options to include new employment lands

Performance Measures

- Financing plan complete
- URA plan options complete and ready for consideration
- Increase in assessed value of properties in the district

Urban Renewal District Incremental Assessed Value



Urban Renewal Operations Budget

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 1,181,140 | \$ 2,792,650 | \$ 2,877,087 | \$ 1,810,913 | \$ 2,865,240 | \$ 2,865,240 | \$ 2,865,240 |
| Revenue | | | | | | | |
| Taxes | 2,667,057 | 3,019,360 | 2,794,616 | 2,887,500 | 3,292,012 | 3,292,012 | 3,292,012 |
| Charges for services | - | 42,081 | - | - | - | - | - |
| Fines, interest and other | 365,000 | 45,825 | 28,000 | 36,000 | 36,000 | 36,000 | 36,000 |
| Total revenue | 3,032,057 | 3,107,267 | 2,822,616 | 2,923,500 | 3,328,012 | 3,328,012 | 3,328,012 |
| Other sources | | | | | | | |
| Issuance of long-term debt | 6,065,000 | 1,000,000 | 9,000,000 | 5,500,000 | - | - | - |
| Total other sources | 6,065,000 | 1,000,000 | 9,000,000 | 5,500,000 | - | - | - |
| Total sources | 10,278,197 | 6,899,916 | 14,699,703 | 10,234,413 | 6,193,252 | 6,193,252 | 6,193,252 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 96,036 | 116,886 | 103,234 | 124,155 | 68,496 | 68,496 | 68,496 |
| Payroll taxes | 8,325 | 9,866 | 9,666 | 10,877 | 6,002 | 6,002 | 6,002 |
| Benefits | 31,261 | 35,828 | 31,823 | 38,622 | 26,484 | 26,484 | 26,484 |
| Total personal services | 135,621 | 162,580 | 144,722 | 173,654 | 100,982 | 100,982 | 100,982 |
| Materials and services | | | | | | | |
| Professional & technical | 161,203 | 403,938 | 305,000 | 115,000 | 52,000 | 52,000 | 52,000 |
| Facility and equipment | 6,114 | 6,807 | - | 6,383 | 6,500 | 6,500 | 6,500 |
| Other purchased services | 16,327 | 18,708 | 18,970 | 12,552 | 16,596 | 16,596 | 16,596 |
| Supplies | 5,152 | 2,576 | 3,600 | 800 | - | - | - |
| Community activities | 145,000 | 27,464 | 121,200 | 51,200 | 1,200 | 1,200 | 1,200 |
| Other materials & services | 104,148 | 83,347 | 79,728 | 84,620 | 78,273 | 78,273 | 78,273 |
| Total materials & services | 437,944 | 542,840 | 528,498 | 270,555 | 154,569 | 154,569 | 154,569 |
| Capital outlay | | | | | | | |
| Land | 3,329,000 | 577,299 | 350,000 | - | - | - | - |
| Infrastructure | 1,480,180 | 2,172,072 | 9,000,000 | 5,161,014 | 42,000 | 42,000 | 42,000 |
| Buildings | 150,000 | - | - | - | - | - | - |
| Total capital outlay | 4,959,180 | 2,749,370 | 9,350,000 | 5,161,014 | 42,000 | 42,000 | 42,000 |
| Debt service | | | | | | | |
| Principal | 1,135,166 | 911,016 | 940,917 | 940,917 | 2,093,342 | 2,093,342 | 2,093,342 |
| Interest | 817,636 | 723,198 | 823,033 | 823,033 | 863,915 | 863,915 | 863,915 |
| Total debt service | 1,952,802 | 1,634,213 | 1,763,950 | 1,763,950 | 2,957,257 | 2,957,257 | 2,957,257 |
| Total expenditures | 7,485,547 | 5,089,003 | 11,787,170 | 7,369,174 | 3,254,808 | 3,254,808 | 3,254,808 |
| Other uses | | | | | | | |
| Ending Fund Balance | 2,792,650 | 1,810,913 | - | - | - | - | - |
| Contingency | | | 2,912,533 | 2,865,240 | 2,938,443 | 2,938,443 | 2,938,443 |
| Total uses | 10,278,197 | 6,899,916 | 14,699,703 | 10,234,413 | 6,193,252 | 6,193,252 | 6,193,252 |

In their November/2010 issue, *Forbes* magazine ranked the Portland/Vancouver metro area in the top 10 metropolitan area for business and careers.

Urban Renewal Capital Projects

Sherwood Forest Senior Community: The Sherwood Urban Renewal Agency purchased property adjacent to the Senior Center in 2009 that will facilitate the extension of Cedar Creek trail and allow for the construction of senior affordable housing. The URA, in partnership with a non-profit will donate the necessary property and pre-development to access a HUD-202 grant for the construction of a 30 unit affordable housing complex for senior citizens. The budgeted expenses are for pre-development costs, and will help in providing the necessary match for the HUD-202 grant proposal.

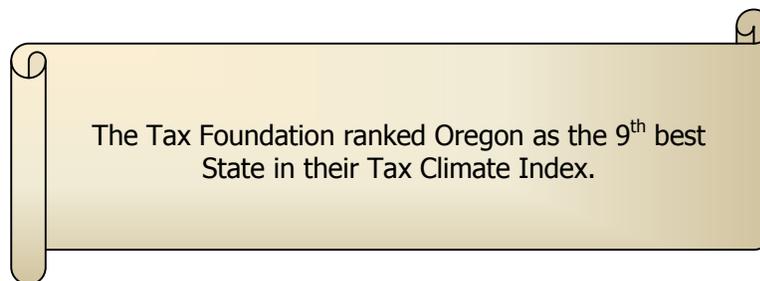
The project, once completed, will be maintained by the non-profit.

Plaza Development: One element of the Cannery Square project is construction of the 13,000 square foot plaza approved by the Planning Commission and City Council. The budgeted expenses are projected to cover the remainder of expenses for this project which should be completed by December/2011. Funding has already been accessed through an \$8.5 million loan from the State of Oregon Infrastructure Finance Authority.

Maintenance of the plaza will be performed by the Public Works department.

Community Center Building Development: Another element of the Cannery Square project is the redevelopment of the Product Manufacturing building which was once the Portland Cannery Company warehouse. This is the only building remaining of a once major industry in Sherwood. It will be redeveloped into retail and community center space already approved by the City Council. Funding has already been accessed through an \$8.5 million loan from the State of Oregon Infrastructure Finance Authority. The project is expected to be completed by late summer of 2012.

Maintenance of the building and grounds will be performed by the Public Works department.



URBAN RENEWAL DISTRICT**CAPITAL BUDGET****Urban Renewal Capital Budget**

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Revenue | | | | | | | |
| Intergovernmental | - | - | - | - | 42,000 | 42,000 | 42,000 |
| Total revenue | - | - | - | - | 42,000 | 42,000 | 42,000 |
| Other sources | | | | | | | |
| Issuance of long-term debt | - | - | - | - | 3,967,941 | 3,967,941 | 3,967,941 |
| Total other sources | - | - | - | - | 3,967,941 | 3,967,941 | 3,967,941 |
| Total sources | - | - | - | - | 4,009,941 | 4,009,941 | 4,009,941 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | - | - | - | - | 44,544 | 44,544 | 44,544 |
| Payroll taxes | - | - | - | - | 3,973 | 3,973 | 3,973 |
| Benefits | - | - | - | - | 16,668 | 16,668 | 16,668 |
| Total personal services | - | - | - | - | 65,185 | 65,185 | 65,185 |
| Materials and services | | | | | | | |
| Other purchased services | - | - | - | - | 456 | 456 | 456 |
| Other materials & services | - | - | - | - | 50,517 | 50,517 | 50,517 |
| Total materials & services | - | - | - | - | 50,973 | 50,973 | 50,973 |
| Capital outlay | | | | | | | |
| Land | - | - | - | - | 350,000 | 350,000 | 350,000 |
| Infrastructure | - | - | - | - | 3,543,783 | 3,543,783 | 3,543,783 |
| Total capital outlay | - | - | - | - | 3,893,783 | 3,893,783 | 3,893,783 |
| Debt service | | | | | | | |
| Total debt service | - | - | - | - | - | - | - |
| Total expenditures | - | - | - | - | 4,009,941 | 4,009,941 | 4,009,941 |
| Other uses | | | | | | | |
| Ending Fund Balance | - | - | - | - | - | - | - |
| Contingency | - | - | - | - | - | - | - |
| Total uses | - | - | - | - | 4,009,941 | 4,009,941 | 4,009,941 |

In FY 2010 statewide collection of tax increment for investment by Urban Renewal Districts was over \$212 million.

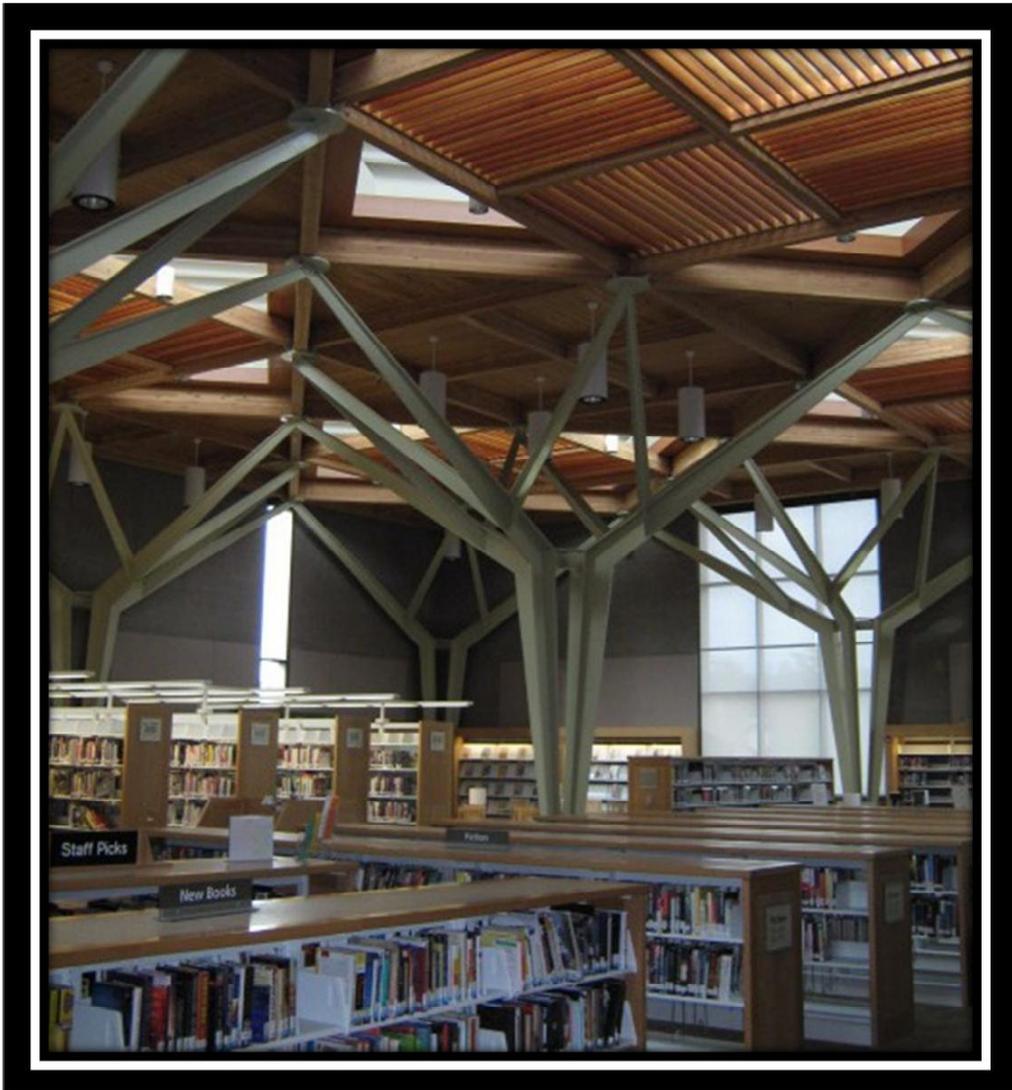
Debt Service Expenditures to Maturity

| City Loans for Sherwood Urban Renewal Agency Projects | | | | | |
|--|--------------------------------|-----------------------|-------------------------------|---|--------------------------------------|
| | 2003 Civic Building | 2003 OECCD | 2004 Land Purchase | 2005 Old School & Sports Field | 2006 Downtown Streets |
| Original Amount | \$ 2,435,000 | \$ 5,845,708 | \$ 350,000 | \$ 830,000 | \$ 1,800,000 |
| Balance at 6/30/11 | 580,000 | 4,254,561 | 105,000 | 568,000 | 1,376,005 |
| Payment Source | URA property taxes | | | | |
| Paying Fund | Urban Renewal Agency | | | | |
| Year Ending June 30 | | | | | |
| 2012 | 305,590 | 438,486 | 39,681 | 80,336 | 175,396 |
| 2013 | 305,473 | 435,853 | 37,809 | 78,769 | 175,416 |
| 2014 | - | 437,879 | 35,983 | 80,145 | 175,398 |
| 2015 | - | 434,138 | - | 80,314 | 175,396 |
| 2016 | - | 434,738 | - | 79,334 | 175,386 |
| 2017 | - | 434,938 | - | 80,239 | 175,396 |
| 2018 | - | 434,483 | - | 80,657 | 175,395 |
| 2019 | - | 438,353 | - | 80,487 | 175,386 |
| 2020 | - | 436,313 | - | 79,830 | 175,397 |
| 2021 | - | 438,553 | - | - | 175,398 |
| 2022 | - | 434,828 | - | - | 43,849 |
| 2023 | - | 435,496 | - | - | - |
| 2024 | - | 435,234 | - | - | - |
| 2025 | - | - | - | - | - |
| 2026 | - | - | - | - | - |
| 2027 | - | - | - | - | - |
| 2028 | - | - | - | - | - |
| 2029 | - | - | - | - | - |
| 2030 | - | - | - | - | - |
| 2031 | - | - | - | - | - |
| 2032 | - | - | - | - | - |
| 2033 | - | - | - | - | - |
| 2034 | - | - | - | - | - |
| 2035 | - | - | - | - | - |
| 2036 | - | - | - | - | - |
| | \$ 611,063 | \$ 5,669,292 | \$ 113,473 | \$ 720,111 | \$ 1,797,813 |

Debt Service Expenditures to Maturity

City Loans for Sherwood Urban Renewal Agency Projects

| | 2006 Downtown Streets | 2010 Streets & Cannery | 2010 Cannery | Total Debt on behalf of URA |
|---------------------|--------------------------------------|--|---------------------|--|
| Original Amount | \$ 6,400,000 | \$ 7,065,000 | \$ 8,500,000 | 33,225,708 |
| Balance at 6/30/11 | 5,538,077 | 6,820,000 | 1,812,916 | 21,054,559 |
| | | URA property taxes Urban Renewal Agency | | |
| Year Ending June 30 | | | | |
| 2012 | 483,820 | 554,820 | - | 2,078,129 |
| 2013 | 485,419 | 553,345 | 425,000 | 2,497,084 |
| 2014 | 481,619 | 551,360 | 425,000 | 2,187,384 |
| 2015 | 482,619 | 553,865 | 425,000 | 2,151,332 |
| 2016 | 483,219 | 555,605 | 425,000 | 2,153,282 |
| 2017 | 483,419 | 551,580 | 425,000 | 2,150,572 |
| 2018 | 483,220 | 552,045 | 425,000 | 2,150,800 |
| 2019 | 482,619 | 551,745 | 425,000 | 2,153,590 |
| 2020 | 481,619 | 555,680 | 425,000 | 2,153,839 |
| 2021 | 484,863 | 553,595 | 425,000 | 2,077,409 |
| 2022 | 482,263 | 555,768 | 425,000 | 1,941,708 |
| 2023 | 484,088 | 553,563 | 425,000 | 1,898,147 |
| 2024 | 485,276 | 550,660 | 425,000 | 1,896,170 |
| 2025 | 480,656 | 552,060 | 425,000 | 1,457,716 |
| 2026 | 485,343 | 552,530 | 425,000 | 1,462,873 |
| 2027 | 484,156 | 552,070 | 425,000 | 1,461,226 |
| 2028 | - | 555,680 | 425,000 | 980,680 |
| 2029 | - | 553,128 | 425,000 | 978,128 |
| 2030 | - | 554,645 | 425,000 | 979,645 |
| 2031 | - | - | 425,000 | 425,000 |
| 2032 | - | - | 425,000 | 425,000 |
| 2033 | - | - | - | 0 |
| 2034 | - | - | - | 0 |
| 2035 | - | - | - | 0 |
| 2036 | - | - | - | - |
| | \$ 7,734,218 | \$ 10,513,744 | \$ 8,500,000 | \$ 35,659,714 |





City of
Sherwood
Oregon

Home of the Tualatin River National Wildlife Refuge

- ADOPTED BUDGET





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Sherwood
Oregon**

For the Fiscal Year Beginning

July 1, 2010

Two handwritten signatures in black ink. The first signature is on the left, and the second signature is on the right.

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Sherwood, Oregon for its annual budget for the Fiscal year beginning July 1, 2010.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide as a financial plan, and as a communication device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

City of Sherwood, Oregon
22560 SW Pine Street
Sherwood, OR 97140

Adopted Budget

2011-2012



Budget Committee

City Council

Mayor
Council President
Council Member
Council Member
Council Member
Council Member
Council Member

Keith Mays
Dave Grant
Bill Butterfield
Robyn Folsom
Linda Henderson
Matt Langer
Dave Luman

Citizens

Chair
Vice Chair
Citizen Member
Citizen Member
Citizen Member
Citizen Member
Citizen Member

Kimberly Rocha-Pearson
Ivonne Pflaum
Irene Baker
Timothy Carkin
Perry Francis
Steve Munsterman
Lynette Waller

City Manager
Finance Director/Budget Officer

Jim Patterson
Craig Gibbons

www.sherwoodoregon.gov

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Date: April 18, 2011
To: The Citizens of Sherwood
City of Sherwood Budget Committee
From: Jim Patterson, City Manager
Subject: FY12 Budget Transmittal Memo



It is my privilege to provide the citizens and the Budget Committee of the City of Sherwood with my proposed budget for Fiscal Year 2012 (FY12), the fiscal year that begins on July 1, 2011.

State budget law provides for three levels of review and scrutiny of this budget: the City Manager, the Budget Committee, and the City Council. At any step in this process the reviewing body can and should alter the budget if they believe it is in the best interests of the City.

At my review, I modified most of the department budgets, following discussion and collaboration with the Department Directors. I based my modifications to address the structural imbalances on the following restraints and acknowledgments.

1. The budget will provide resources needed to sustain current operating efficiencies.
2. The budget will provide resources to sustain the quality of life in Sherwood.
3. Managing expenses is the responsibility of city administration, but managing expenses alone will not resolve the gap between revenues and expenditures.
4. Fees and taxes will have to be considered as a means to support existing services and provide expansion of services if the current economic trend continues.
5. All budget actions must serve to enhance citizens' level of trust in City government.

THE GENERAL FUND

The General Fund budget that I am recommending for FY12 is a break with the past and has required difficult and certainly unpopular decisions. It is a budget that reflects the changing economic and political environment in which we now operate. The budget anticipates that this environment will continue and contains elements to respond specifically to that anticipation.

Ultimately, Sherwood will grow commercially and residentially and the area's economy will improve. These changes will take us to a new future. The budget I am recommending is designed to bridge the gap between now and the time we see the next wave of growth that is sure to come.

General Fund Base Budget and Three-Year Forecast

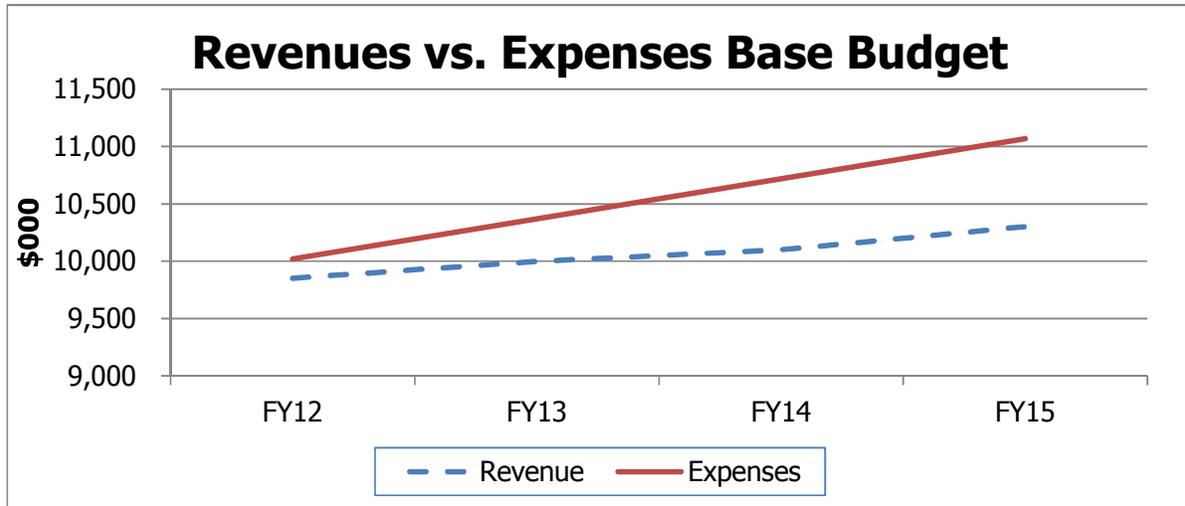
This year I am introducing the concepts of a "base budget" and a "three-year forecast."

The base budget is the budget that will result next year if we make no staffing or service level changes. It includes only the cost increases and revenue increases that would accrue normally if the City took no action to change the budget.

The three-year forecast applies inflationary trends to that base budget and anticipates the long term effect of today's financial decisions on future budgets.

The FY12 General Fund Base Budget would have operating revenues of \$9.8 million and operating expenses of \$10.0 million, for an annual operating loss of \$200,000.

For the three-year forecast of that base budget (FY13, FY14, and FY15) I have no evidence, limited confidence, no data, or reason to anticipate any “automatic” revenue increases aside from the annual 3% increase in property tax revenues. As a matter of fact, my concerns are that previously stable revenue sources may decline further in the near future. “Automatic” increases in personal services and inflationary increases in materials and services will overwhelm any foreseeable revenue increase. And the result-if we do nothing to change the direction-is the fund balance will be depleted by FY15. That is an unacceptable outcome and not fiscally responsible.



So the General Fund budget I am recommending for FY12 is a budget that lays the foundation for FY13, FY14, and FY15. It is a budget that acknowledges that the expense trajectory far exceeds the revenues trajectory. Expense will have to be reduced and revenues will have to be increased for Sherwood to avoid service cuts in the future. The focus of my recommended budget is to manage the expenditure trajectory without sacrificing services during a sustained period of no growth and deal with structural imbalances that are a result of periods of high growth and then a leveling out period. This is a budget that is designed to achieve this objective by addressing both expenditure controls and potential revenue enhancements.

RECOMMENDED BUDGET

The FY 12 budget cannot be developed without a focus on FY13 and the years beyond: the success of my recommended budget depends on significant actions that will need to be taken between now and December 2011 in preparation for that FY13 budget. Those actions include:

- a. Collective bargaining negotiations with both unions,
- b. Analysis of service delivery alternatives,
- c. Application of information technology to continue to create efficiencies,
- d. Consideration by our elected officials of new or increased fees, and, of course,
- e. Management control of spending.

These are just the actions needed to increase the possibility of maintaining current service levels (which I consider above average levels of service). If service levels need to be reduced in FY13 or, if the community would like increased services, then I am recommending initiation of a community wide conversation. That conversation will include using professional surveying methodologies to ascertain the citizens’:

- a. Service priorities,
- b. Interest in new or enhanced services,
- c. Tolerance for new fees or taxes, and
- d. Level of trust in their City government.

This conversation would be part of the FY13 budget process and would need to be concluded before December 2011.

Financial Aspects of FY12 Budget

The critical cost savings element of this recommendation is a reduction in FTE. Moving forward I am left with no choice under the current economic conditions and I must act in order to address our future. I issued layoff notices to three employees on April 4, one each in Finance, Police, and Community Development. In addition, a wage freeze for all non-represented employees is included in this budget. This reduction in FTE count and freezing of one employee group's salaries reduces the future personal services liability, positively affecting the expenditure trajectory. This is a vital component to addressing current and future structural imbalance in our budget.

This recommended budget **does not address** the critical staffing needs raised again this year by the Police, Community Services, and City Recorder departments. Given the Finance Director's revenue forecasts for future years, funding those positions will trigger future cuts and therefore I do not find it wise to fund additional positions at this time.

My recommended budget does establish one new position. That position is a School Resource Officer, a sworn police position that will be assigned to work in the schools and the cost of which will be shared with the Sherwood School District.

The result of these changes is a General Fund budget with operating revenues of \$9,892,000 and operating expenses of \$9,957,000. The annual loss is reduced to \$65,000, well within our capacity to address through tight spending controls.

Fund Balance

The General Fund's projected ending fund balance for FY11 is \$1.8 million. The budgeted ending fund balance for FY12 is \$1.55 million. That loss is due to the \$65,000 operating loss indicated above and the transfer of \$200,000 to the Street Fund. The resulting fund balance is 15% of revenue. Staff will discuss the details of this fund balance and its conformance to the new financial policy on fund balance during the budget committee meetings.

The General Fund budget I am recommending is only a start at the process of establishing a sustainable budget. If we make no further adjustments to both revenues and expenditures in future budgets, the fund balance will be depleted in FY15.

PERSONAL SERVICES

Key personal services issues in this budget are as follows.

- Health insurance costs are budgeted to increase by 8%.
- PERS rates will increase as of July 1. The impact of that rate increase is that the cost of PERS will increase from 16% of salaries to about 20%. Based on PERS operating policies that rate will not increase in FY13.

- The number of Full Time Equivalent (FTE) positions is reduced by 2.0. A senior accountant, plumbing inspector, and emergency management coordinator have been removed from the budget and a full time police officer (partially funded by the school district) has been added.
- Non-represented employees will not get raises for cost of living or merit.
- Contracts with represented employee groups are underway and the results will be effective with this budget.

OTHER GOVERNMENTAL FUNDS

This budget reflects proposed changes in the City’s fund structure. Pursuant to its new financial policies, the Council will be asked to institute these changes via resolution in a separate action this spring. The changes are as follows.

Two actions are required to conform to governmental accounting standards.

- Reclassify the Street Fund from an enterprise fund to a governmental fund.
- Decommission the Asset Depreciation Fund and replace it with capital replacement reserves in each fund

And two other actions will be suggested as a way to simplify financial management.

- Divide the Street Fund into a Street Operations Fund and a Street Capital Improvement Fund.
- Divide the Urban Renewal fund into a URA Operations Fund and a URA Capital Improvement fund.

The Street Operations Fund incorporates a staff proposal for changes in the street fees based on the April 5th Council work session discussion.

Staff will be providing detailed information about these changes during the Committee’s meetings.

ENTERPRISE FUNDS

Just as the General Fund budget was developed with an eye on impacts to future years’ budgets, so were the Enterprise Fund budgets. The standards for these funds were to:

1. Maintain the current service level
2. Include expenses need to maintain the assets
3. Include contributions to replacement reserves
4. Adjust rates to support these actions and the long term stability of the enterprises.

The Enterprise Funds are the four self-sustaining utility systems operated by the City: Water, Sanitary Sewer, Storm Sewer, and Telecom. One of the funds, Water, has a rate increase for FY12 already approved by Council. In this budget, I am recommending a rate increase in the Sanitary Fund.

SUMMARY

The Revenue pie charts on page 11 of this document and the expenditure pie charts on page 15 show the City of Sherwood’s financial strength. All the pie charts show the diversity of Sherwood’s revenue sources and expenditure categories. The diversity of revenues protects the City from the revenue problems of the state (overwhelming reliance on income tax) or the schools (almost complete reliance on revenues from the state). The diversity of expenditure categories insulates Sherwood from abrupt cost increases in any one category. Personal Services account for 85% of school district costs.

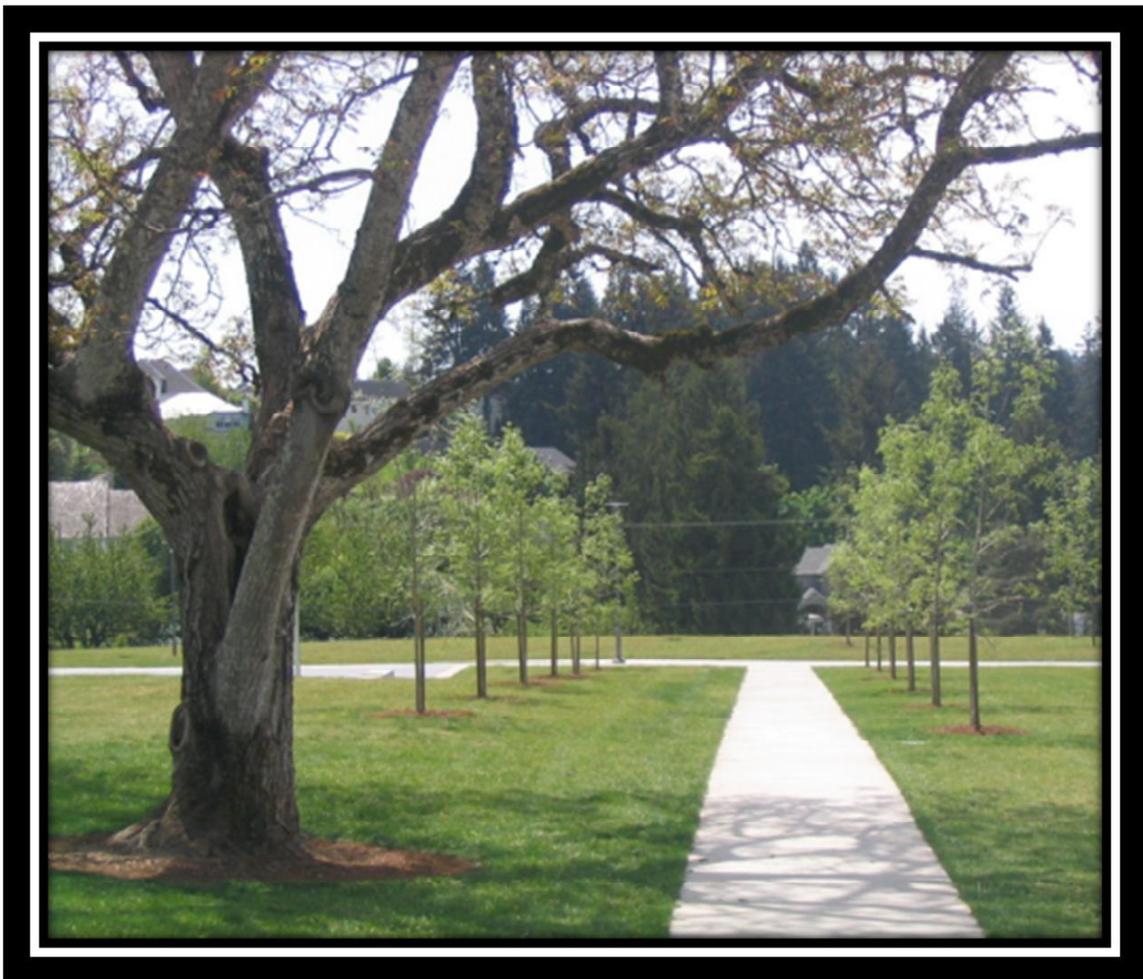
Sherwood’s personal services’ expenses are slightly higher than materials and services, and lower than capital outlay.

Underpinning this healthy diversity of revenues and expenditures are fund balances that themselves are the major component of both the revenues and expenditures.

This budget has been crafted to protect this financial situation while maintaining the current level of services to citizens. I look forward to working with you this year to perfect and implement this budget.

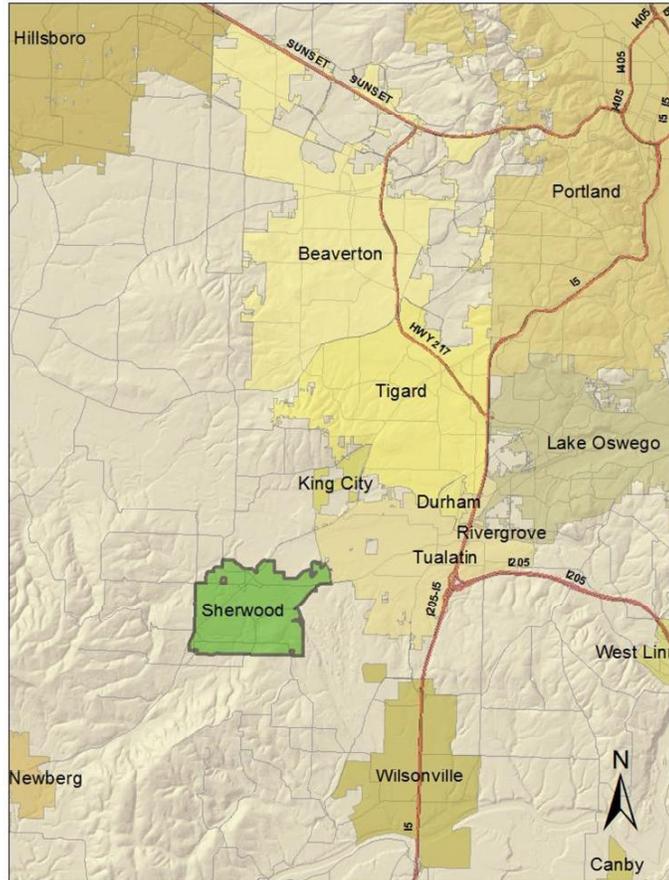
Respectfully submitted,

Jim Patterson, City Manager



About the City

The City of Sherwood, incorporated in 1893, encompasses 4.1 square miles of land on the south edge of the Portland metropolitan area, in northwestern Oregon. Other cities that are part of or near the metro area, such as Tigard, Tualatin, and Wilsonville, are used for comparisons in this budget where data is available.



The City of Sherwood has all powers granted to municipal corporations by State statutes, including the power to issue debt, levy taxes on real property within its boundaries, and extend its corporate limits by annexation.

The City provides a full range of services, including police protection, library, construction and maintenance of streets, parks, and utility infrastructure, recreational activities and cultural events, current and long-range planning and development review, and building permits and inspection. Senior services are provided by a nonprofit organization, housed in the City-owned Senior Center. Certain services are provided by or in cooperation with regional organizations. Fire protection is through Tualatin Valley Fire and Rescue, a separate regional entity. As of July 2009 the City of Sherwood resumed operations of the City’s water utility. Sherwood owns and operates the sanitary sewer and storm water collection facilities; treatment is by Clean Water Services, a regional authority. Electricity, Telephone service, and trash disposal are provided by private businesses. Sherwood is part of School District 88J.

Sherwood is governed by a City Council comprised of an elected Mayor and six Councilors. The City Council exercises policy-making and legislative authority and is responsible for City legislation, adopting the budget, appointing committees, and hiring the City Manager. The Mayor serves a two year term. Councilors serve for four years, with three of the six Councilor’s terms expiring in each biennial election. The City Manager is responsible for carrying out the day-to-day operations of the City.

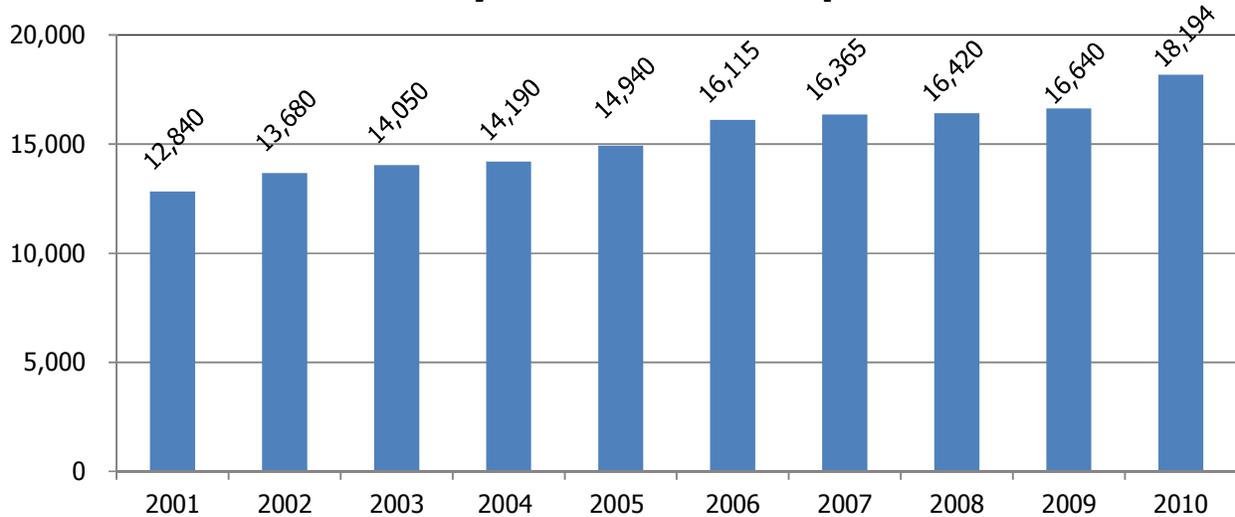
According to Portland State University’s Population Research Center the City’s population as of July 1, 2010 was 16,705, and is predicted to increase by 100 people per year for the next several years. The assessed value of real property exceeded one billion dollars in 2005-06.

In December 2002, the Metropolitan Service District, the regional land use planning entity, added about 300 acres to the City’s Urban Growth Boundary (UGB). Planning for future land uses, civic services, and infrastructure improvements has begun. Annexation requires voter approval. Sherwood is in the Portland, Oregon – Vancouver, Washington metropolitan area. The economy of the metro area is broad and well diversified. According to Oregon Employment Department data, Sherwood’s top four industries by the number of employees are food and drink services, manufacturing, specialty trade contractors, and educational services.

Sherwood has an Urban Renewal Agency (URA) which undertakes activities and projects in the portion of the City designated as the Urban Renewal District. Although the Sherwood City Council is the Board of Directors for the URA, The URA is a distinct municipal corporation and its budget is a separate document.

The City’s fiscal year begins July 1 and ends June 30.

City of Sherwood Population



Of the current residents in Sherwood, more than half (58%) are school aged children, grades 1-12.

Mission Statement

The City of Sherwood will provide services and infrastructure to support the highest quality of life for our residents, businesses and visitors in a fiscally responsible manner.

Values

The City of Sherwood Values and Promotes:

Quality Services

Fiscal Responsibility

Citizen Participation

Community Pride

Community Partnerships

Community Livability

Goals

Public Safety

“The City of Sherwood will provide for the safety and security of the community and its citizens.”

Infrastructure

“The City of Sherwood will provide and maintain infrastructure for its citizens to live, work and play.”

Livability

“The City of Sherwood will provide opportunity for responsible community development and growth.”

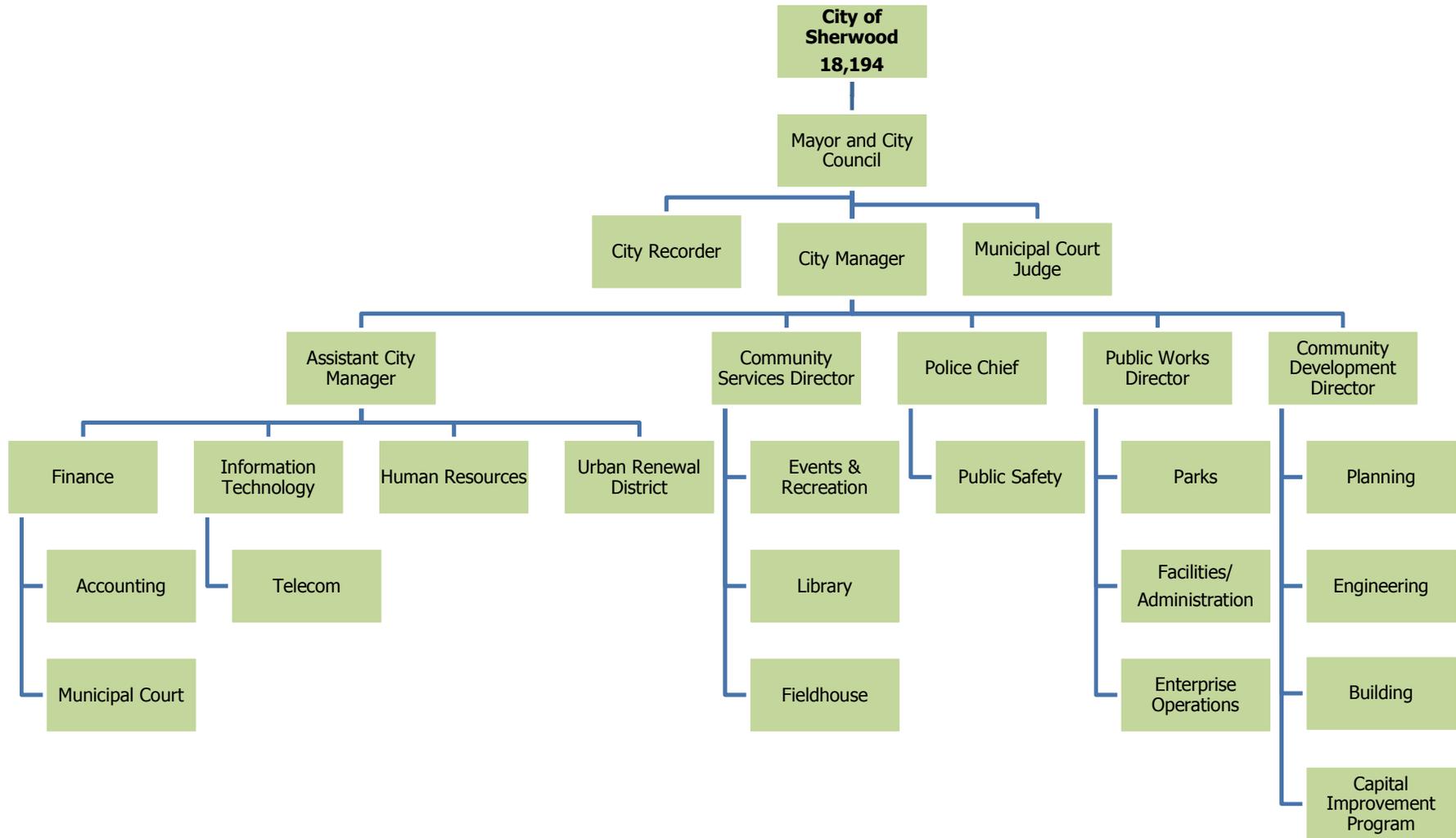
Resident Well Being

“The City of Sherwood will facilitate the provision of services to encourage a balanced quality of life for its citizens.”

Economic Development

“The City of Sherwood will promote responsible economic development which benefits the community.”

City of Sherwood Organizational Chart



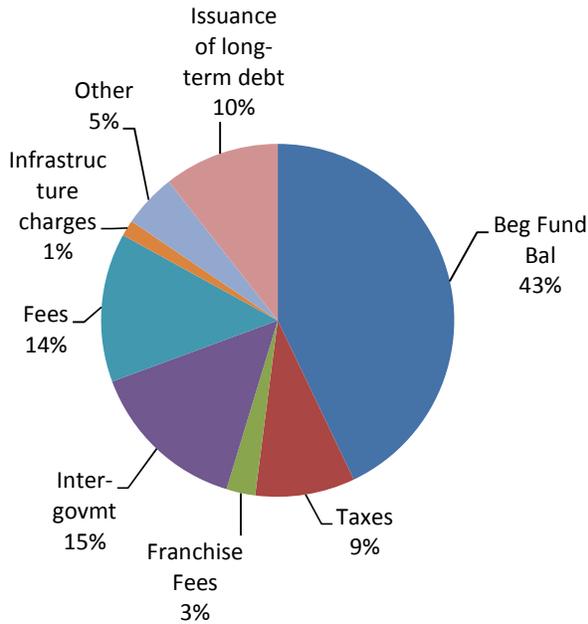
Budget in Total

This narrative walks through components of the Budget in Total. The major sections are sources, uses, and Capital Project expenditures.

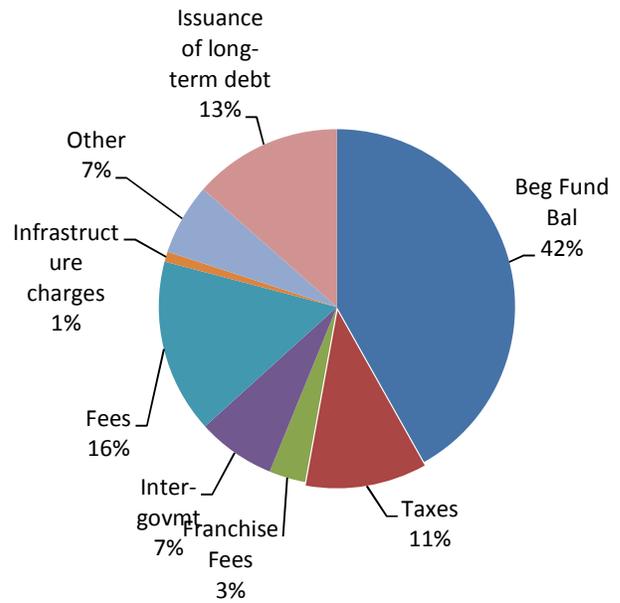
Sources

Budgeted sources, exclusive of transfers between funds, follow.

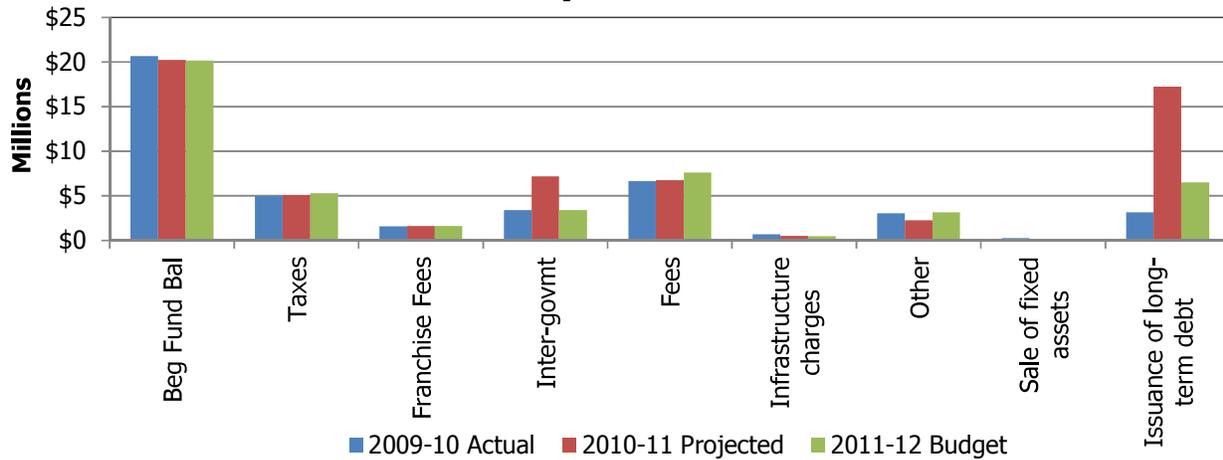
Sources - All Funds 10-11



Sources - All Funds 11-12



**Sources - All Funds
2011-12 Compared to Prior Years**



Beginning fund balance

The difference between total sources and total uses is budgeted as contingency. The alternative is to budget it as un-appropriated ending fund balance. The latter cannot be spent except in an emergency created by civil disturbance or natural disaster. Contingency allows the legal flexibility to spend if necessary.

If contingency is less than beginning fund balance, funds in the beginning balance has been used as a source of resources (expenditures exceeded revenues). If contingency is more than beginning fund balance, fund balance has been increased for use as a source in future years (revenues exceeded expenditures).

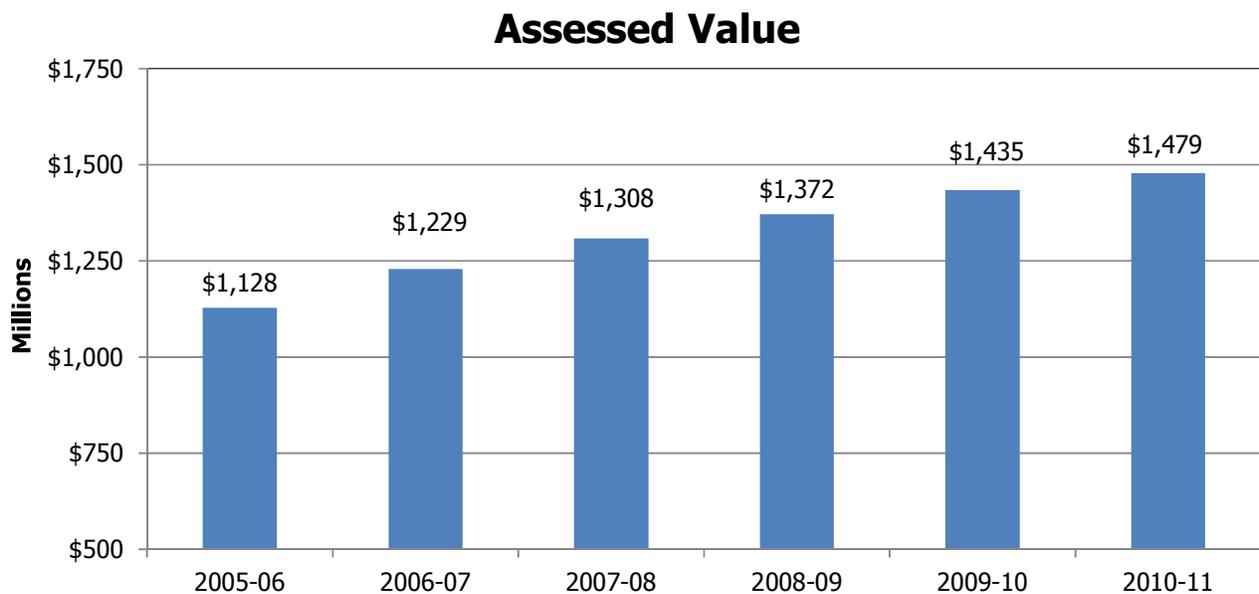
Taxes and franchise fees

Property taxes

Property taxes are levied for two purposes. The permanent rate levy for the City of Sherwood of \$3.2975 per \$1,000 of assessed value supports General Fund operations. Property taxes for the Debt Service Fund are levied in the amount needed to pay principal and interest on voter approved general obligation bonds.

The permanent rate levy was fixed by ballot initiatives in the 1990’s and cannot be increased by the City. General Fund property tax revenue depends on assessed values, which are a function of increased development, the annual 3% statutory increment and the effect of the Sherwood Urban Renewal District. Please refer to the Property Tax Description on pages 25 and 26 for a detailed explanation.

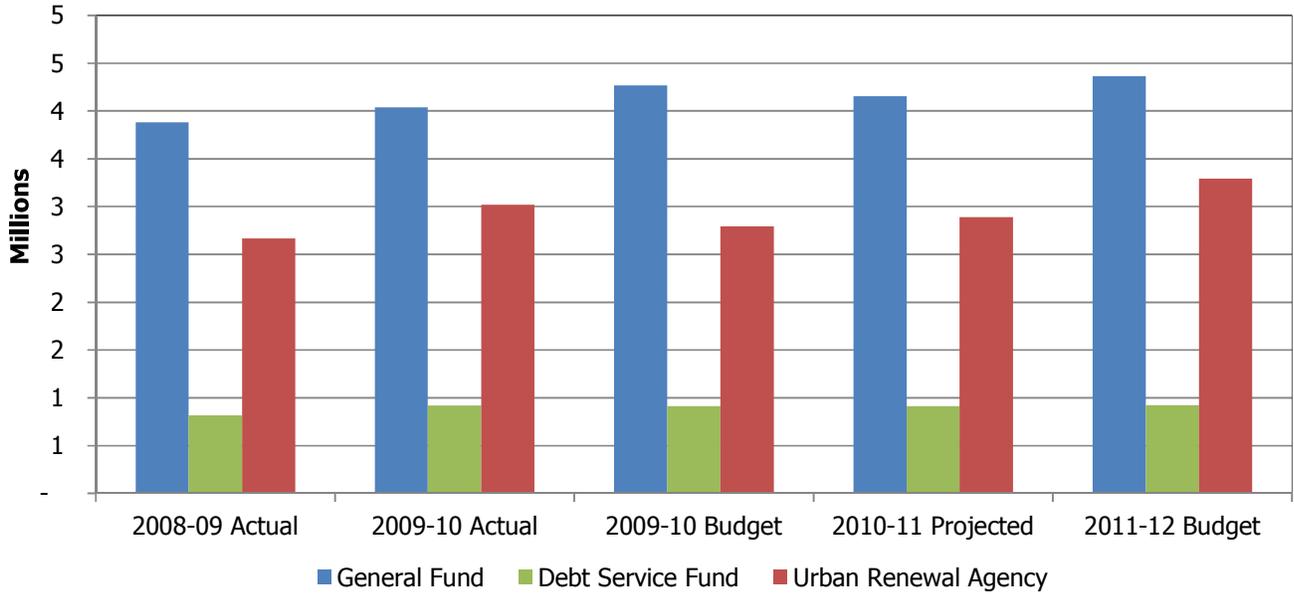
Total assessed value in the City of Sherwood is:



Assessed values are expected to continue growing at a similar rate for the foreseeable future as land is developed and areas within the Urban Growth Boundary are annexed.

The permanent rate levy is divided between the City General Fund and the Sherwood Urban Renewal Agency. Revenue for the General Fund, the URA, and the Debt Service Fund follow.

Property Tax Revenue

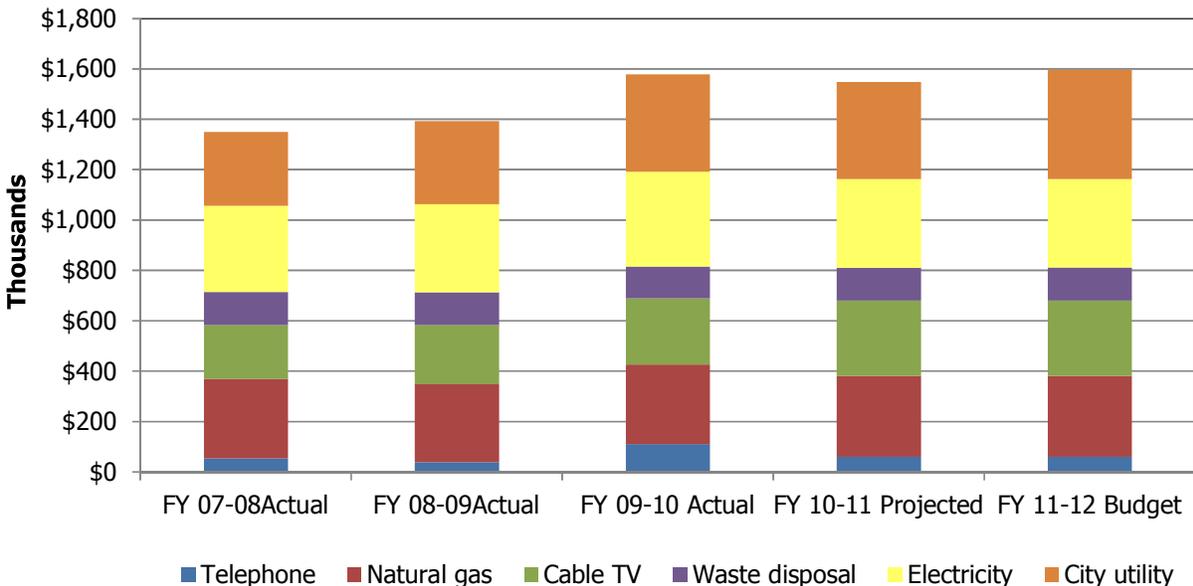


Property taxes represent 44% of General Fund revenue exclusive of reimbursements from the URA.

Franchise fees

Franchise fees are collected from utilities as compensation for use of the City’s rights of way. Franchise fees are based on utility revenue, so they generally increase with population growth.

Franchise Fees



Intergovernmental

Intergovernmental revenue includes:

- State distributions of shared revenue and vehicle fees.
- County support to the library as part of the Washington County Cooperative Library Service.
- Sherwood School District for shared services.
- Federal, State, and Local Government grants.

Charges for services

The water utility rates will increase 7.5% effective July 1, 2011 and 4.0% effective January 1, 2012. This budget proposes the city sanitary surcharge of \$.32 increase to \$.64 per EDU. This budget proposes the street fee revenues to increase approximately 50%. This budget proposes a new event permit fee

Infrastructure development charges

These are fees for private development plan review and inspection and system development charges (SDC's) on new construction. SDC's are restricted to use for capital improvement projects that support capacity for growth.

Fines, interest and other

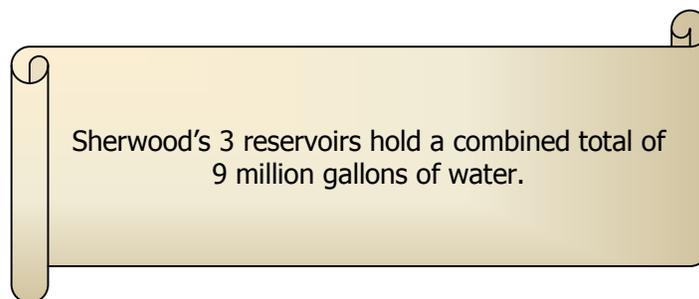
Other revenue includes fines for traffic infractions and other violations, library fines, and interest on our bank accounts.

Sale of fixed assets

There are no sales of fixed assets contemplated in the fiscal year 2011-12 budget.

Issuance of long-term debt

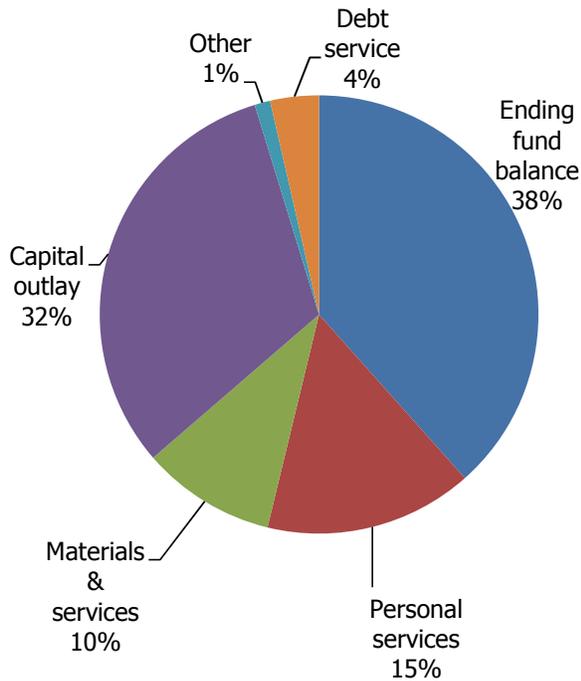
The City will be acquiring a construction loan for the remainder of the water pipeline to Wilsonville project for approximately \$6,500,000.



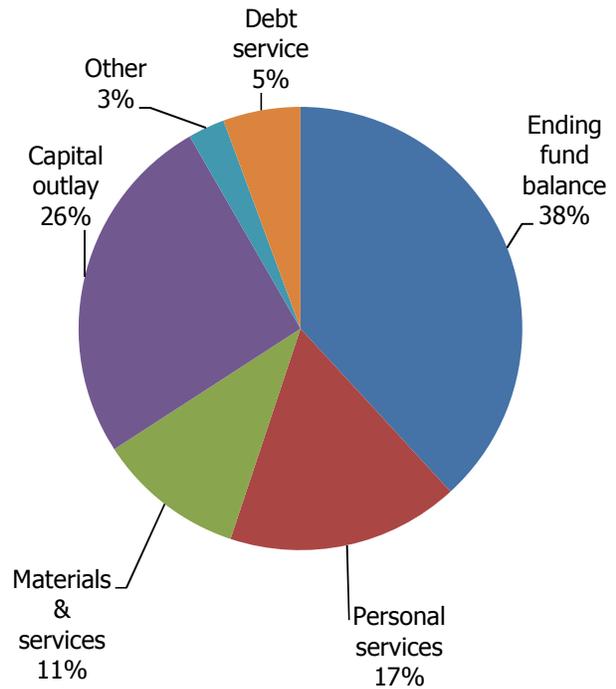
Uses

Uses for all funds are:

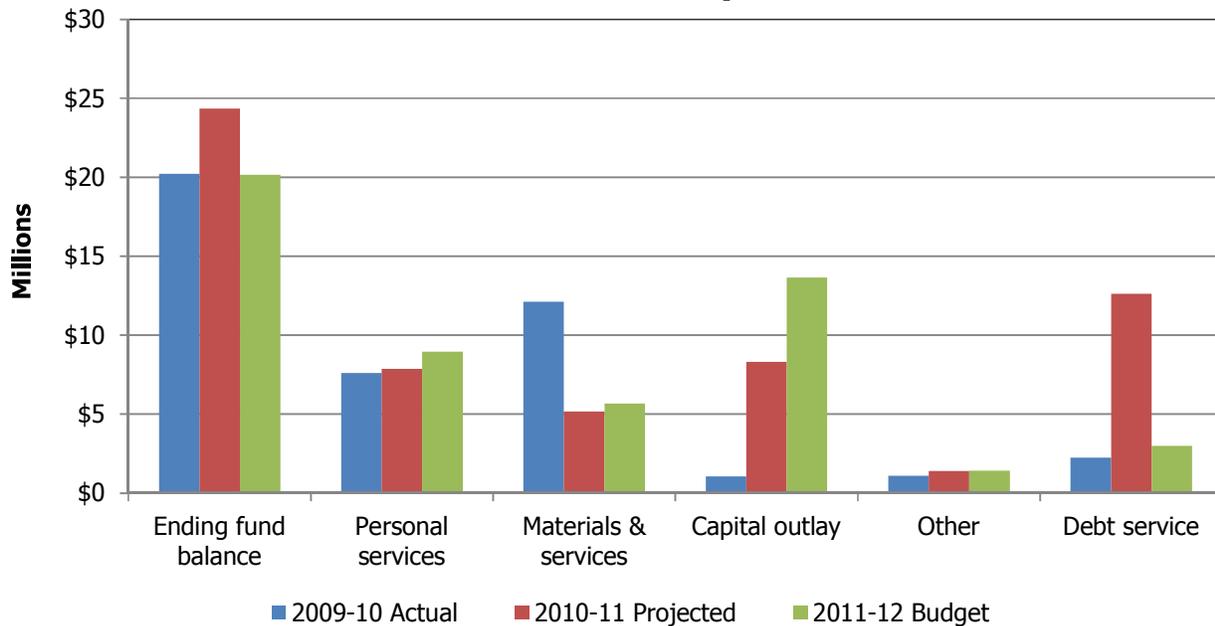
Budgeted Uses of All Funds 10-11



Budgeted Uses of All Funds 11-12



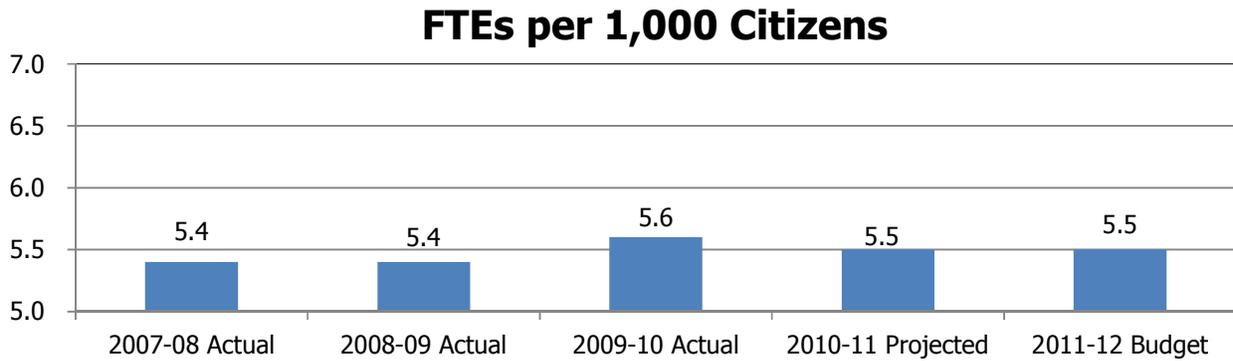
Uses - All Funds 2011-12 Compared to Prior Years



Personal Services

Full-Time Equivalent (FTE)

The following compares City staffing to population growth.

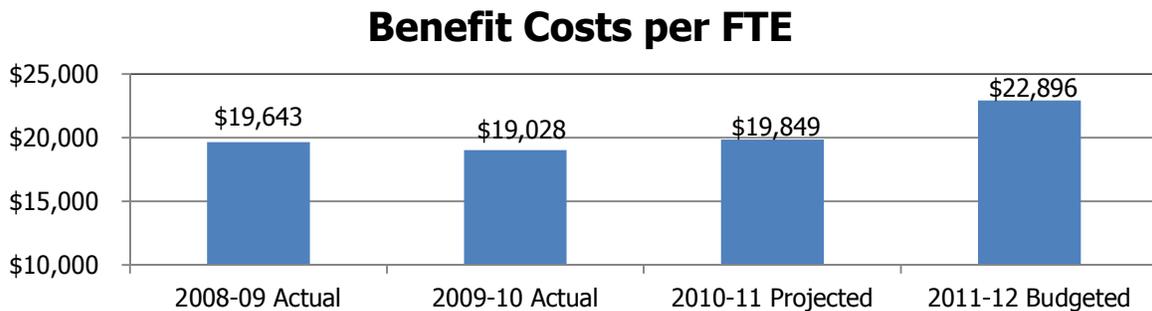


Wages

The budget includes a 1.4% cost of living increase at July 1 for all represented employees. There will be no increases for non-represented employees in fiscal year 2011-12.

Benefits

Benefit costs continue to increase faster than inflation and property tax revenue. The average cost of benefits per employee follows:



The major benefits are health insurance and PERS. Employee insurance costs are budgeted to increase 8% in 2010-11.

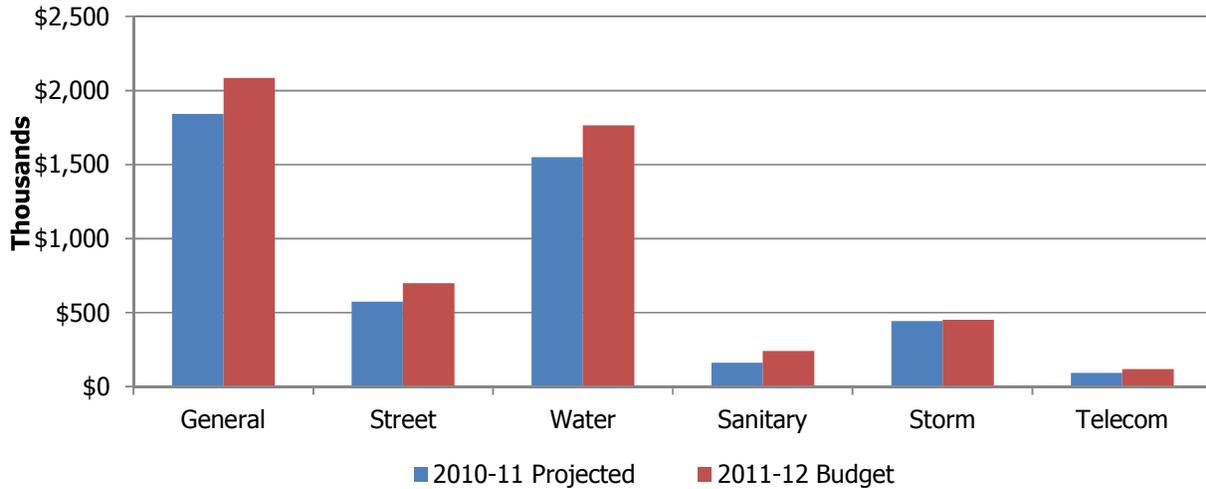
PERS, the state-wide Public Employees Retirement System, had severe investment losses in the late 1990s and is recovering them from employers over several years. The most recently adopted rates for the City of Sherwood are:

- 15.91% for Tier 1 & Tier 2 covered employees
- 10.82% for OPSRP covered employees
- 13.53% for OPSRP Police covered employees

Materials and Services

Materials and services for operations, by fund, are:

Materials and Services - Operations



The change in materials and services for the General Fund and Water Operations are due to various small increases with the majority of the increase in professional and technical services.

Capital Outlay

Capital project expenditures are discussed in the Capital Improvement Program section. Capital outlays are single purchases that are budgeted within the operational budgets of the city whose value exceeds \$5,000. The only significant capital outlay expenditures this year are:

General Fund

- Interoperability equipment for the Police Department that is funded by a Federal grant.
- Police car
- Financial system analysis
- Server storage
- Replacement data backup and archival system
- Cable channel upgrades
- Senior Center Lighting upgrade
- Fuel tank and card system at PW
- City owned sidewalk repair
- Upgrade generator at PW and install generator at City Hall
- Calsense
- Irrigation at the JV baseball field

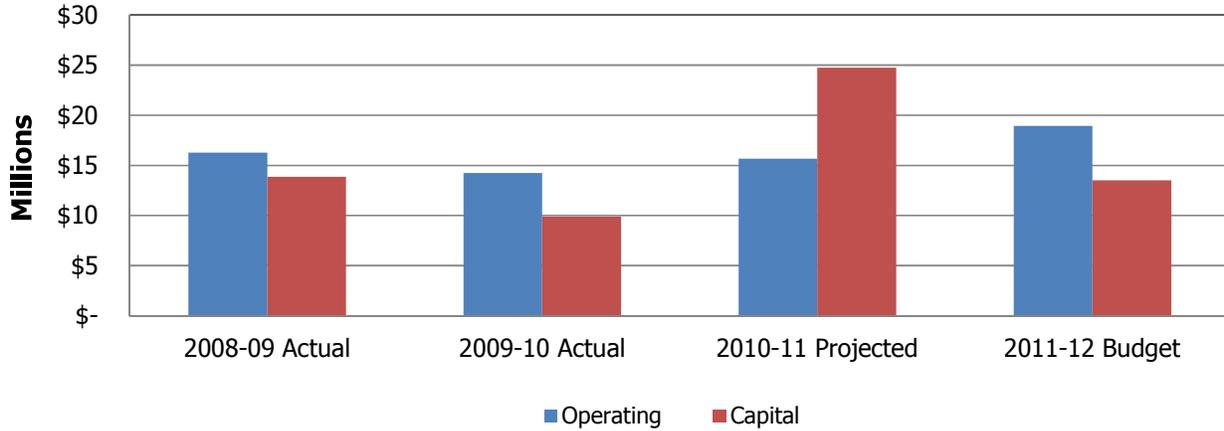
Enterprise Funds

- Telecom – Redundancy for the Sherwood Broadband System
- Storm – TV van camera replacement

Capital Project Expenditures

A substantial portion of the total city budget is for capital projects for building or improving the City infrastructure to handle growth. The projects and their total costs are detailed in the Capital Projects section. Expenditures for capital projects may vary dramatically between years, depending on the particular projects in process.

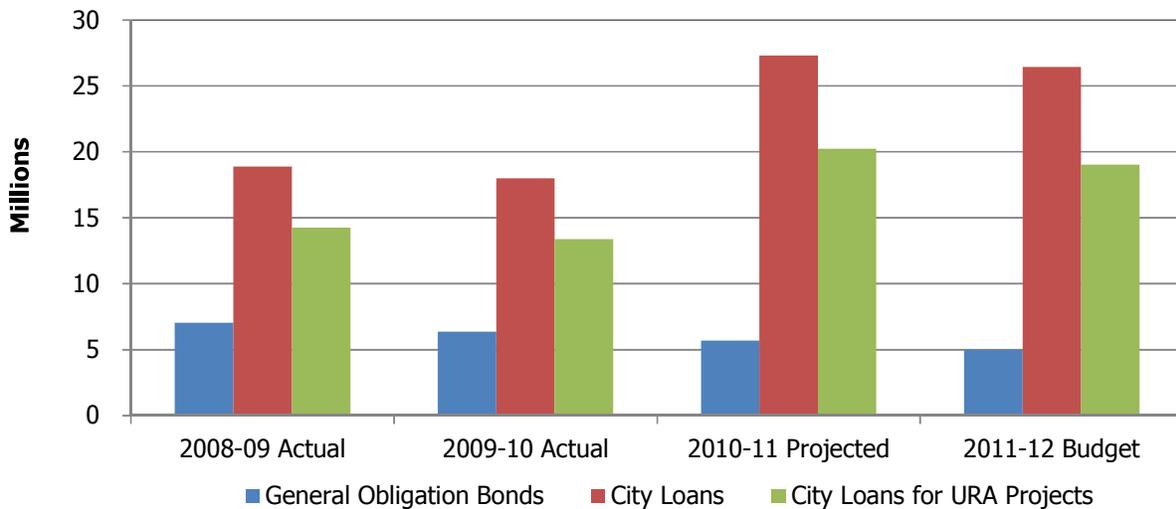
Operating vs. Capital Expenditure



Debt Service

The principal balance of outstanding debt as of June 30, 2011 is: \$53,252,894.

Principle Balance of Outstanding Debt



Payment sources for all debt expected to be outstanding at June 30, 2011 are shown in the Debt Service Expenditures to Maturity schedule on pages 94-97.

Financial Condition and Outlook

The bond rating from Moody's Investors Services for the last general obligation bond, issued in 2004 to refund those originally issued in 1996, was A2, an upper medium grade investment. The City's bond rating was reviewed and confirmed as A2 in fiscal year 08-09.

On May 1, 2010 Moody's Investors Service initiated the local government recalibration of its municipal rating scale. All municipal credits rated by Moody's were changed to a Global Scale Rating (GSR), which better reflects the underlying credit quality of municipal issuers compared to that of corporate or sovereign issuers. The City of Sherwood had an A2 rating under the Municipal rating scale and now has an Aa3 rating under the GSR.

Fees and charges are reviewed annually. Changes are proposed by staff, reviewed by the Budget Committee, and adopted by the City Council. Fees are intended to recover the costs of services which can be specifically attributed to a particular user, as with fees for land use applications and building permits, or to make some contribution toward cost, such as fees for league use of ball fields. In particular, the Council has mandated that development pay for the costs it imposes.

Operations Outlook

Revenue sources for the General Fund are stable; one-time revenue is invariably restricted to specific, limited-time expenditures. However, as detailed in the Budget Message, routine expenditures continue to grow faster than revenue.

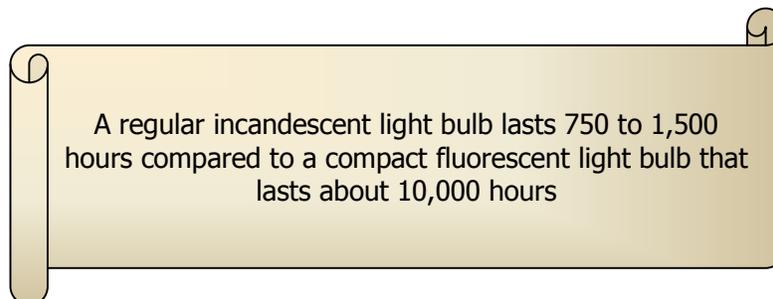
The Water, Sanitary sewer, and Storm water funds are self-supporting with user charges for services for operating needs.

The Street Operations Fund relies on apportionment of vehicle and gasoline taxes and licenses from the state and county. These revenues are stable, but are not increasing at the same rate as the cost of long-term preventative maintenance and rebuilding needs. As a result, the City implemented a Street Utility fee in 2007 to provide for adequate funds for street maintenance and lighting.

Capital Project Outlook

Water, Sanitary sewer, and Storm water funds collect system development charges for infrastructure expansion; the Water Fund also reserves a portion of user charges for capital construction and related debt service. These sources are adequate to fund needs for the existing City service area.

The Street Fund relies on County traffic improvement fees and City system development charges. Capital needs identified in the TSP exceed the projected funding, requiring that future construction is carefully prioritized.



Financial Organization

The City's financial records are organized by fund: operating and capital, and divisions and departments. These views are explained below.

Funds

Funds are required by generally accepted accounting principles for local governments and by Oregon budget law. The purpose of funds is to demonstrate compliance with legal restrictions on the use of resources. The nine funds, grouped by type are described below.

General: The General Fund is the main operating fund. It includes all resources not accounted for in other funds. General fund revenues can generally be used for any government purpose.

Special revenue: The Asset Depreciation Fund has been used is a reserve fund, defined in Oregon budget law, to accumulate money from year to year to provide for the unexpected purchase, improvement, or repair of major capital assets, such as city buildings. The Street Operations Fund collects county and state gas and vehicle taxes to fund the maintenance of city roads.

Debt service: This fund accounts for property tax revenues levied for payment of general obligation bonds.

Capital projects: The General Construction Fund accounts for acquisition or construction of capital assets, other than those financed by Enterprise funds. It includes city buildings, parks, sports fields, recreational facilities, and trails. The Street Capital Fund accounts for the construction of city roads.

Enterprise: Enterprise funds are used for activities that are similar to business enterprises, where the intent is that costs be recovered primarily through user charges or where determination of net income or loss is useful for public policy. The enterprise funds for Water, Sanitary, and Storm are divided into operations and capital departments to reflect budgetary responsibility.

Telecommunications: Telecommunications supports the communication needs of the city, local businesses, school district, and residents. Services within this utility are primarily sold and managed through third party service providers.

Divisions and Departments

The General Fund is split into departments which reflect city programs and managerial responsibilities. These are grouped into five divisions for purposes of appropriations. The divisions are:

- Administration
- Public Safety
- Public Works
- Community Development
- Community Services

Operating and Capital

The budget includes both operation and capital items. The operating budget encompasses recurring expenditures necessary for day-to-day operations. The capital budget is for construction of infrastructure and other long-lived fixed assets. The operating budget generally changes incrementally, as population and services increase. The capital budget is more erratic, depending on when loan funds are received and construction expenditures incurred.

FINANCIALS**BUDGET IN TOTAL****Budget in Total**

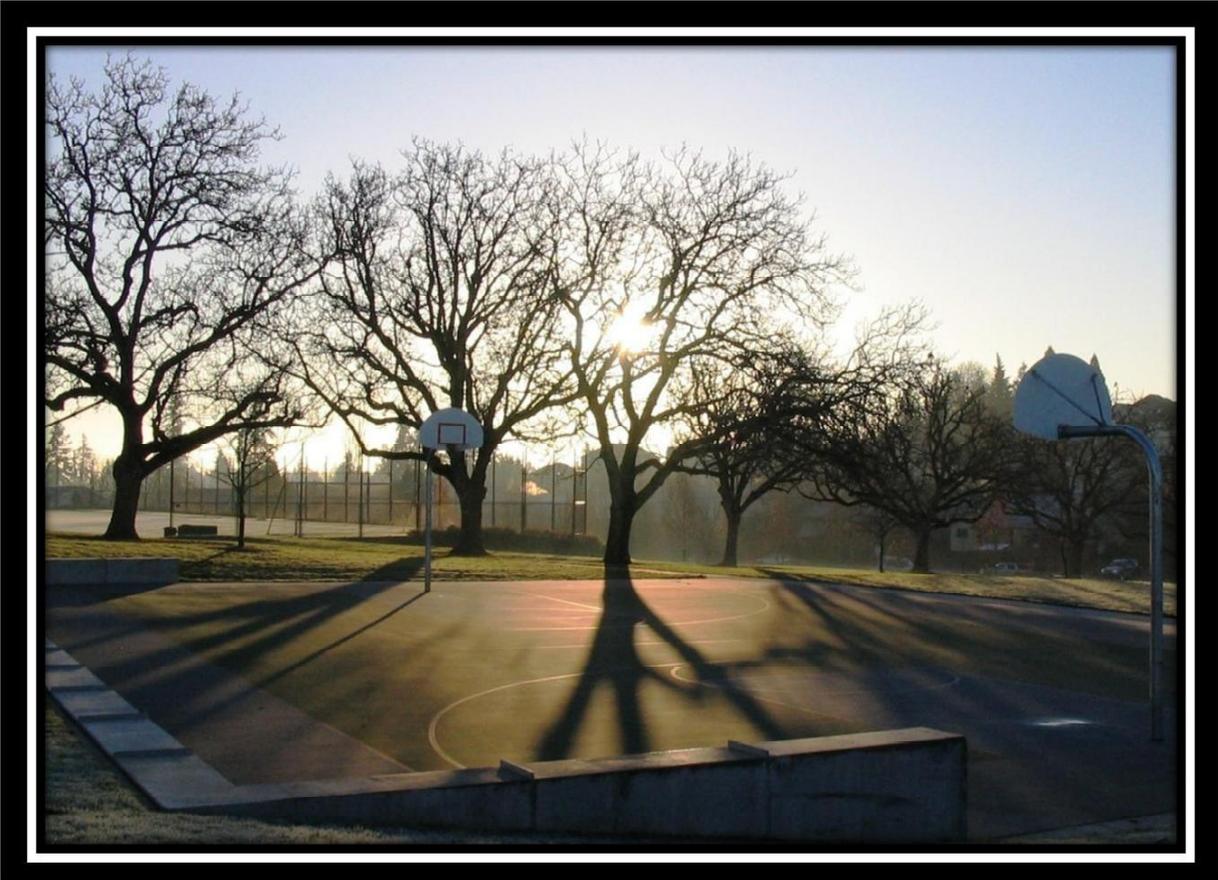
| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 17,953,895 | \$ 20,679,980 | \$ 24,350,112 | \$ 20,235,520 | \$ 20,154,212 | \$ 20,154,212 | \$ 20,154,212 |
| Revenue | | | | | | | |
| Taxes | 4,698,968 | 4,956,322 | 5,178,830 | 5,067,526 | 5,290,578 | 5,252,578 | 5,252,578 |
| Franchise Fees | 1,392,530 | 1,578,593 | 1,509,706 | 1,547,651 | 1,596,052 | 1,596,052 | 1,596,052 |
| Licenses and permits | 82,359 | 83,009 | 71,600 | 71,600 | 71,000 | 71,000 | 71,000 |
| Intergovernmental | 5,269,107 | 3,367,476 | 8,339,446 | 7,159,568 | 3,427,576 | 3,427,576 | 3,427,576 |
| Charges for services | 5,508,885 | 6,553,577 | 7,746,618 | 6,678,752 | 7,383,900 | 7,383,900 | 7,383,900 |
| Infrastructure development | 3,317,404 | 683,285 | 835,732 | 508,320 | 444,600 | 444,600 | 444,600 |
| Fines, interest and other | 1,450,236 | 1,957,722 | 2,153,792 | 1,487,412 | 1,717,125 | 1,717,125 | 1,717,125 |
| Total revenue | 21,719,488 | 19,179,984 | 25,835,724 | 22,520,829 | 19,930,831 | 19,892,831 | 19,892,831 |
| Other sources | | | | | | | |
| Transfers in | 1,722,507 | 1,092,622 | 664,500 | 740,410 | 1,411,898 | 1,411,898 | 1,411,898 |
| Sale of fixed assets | 3,340,591 | 250,000 | - | - | - | - | - |
| Issuance of long-term debt | 6,096,252 | 3,152,556 | 6,000,000 | 17,249,085 | 6,498,833 | 6,498,833 | 6,498,833 |
| Total other sources | 11,159,350 | 4,495,178 | 6,664,500 | 17,989,495 | 7,910,731 | 7,910,731 | 7,910,731 |
| Total sources | 50,832,734 | 44,355,141 | 56,850,336 | 60,745,844 | 47,995,774 | 47,957,774 | 47,957,774 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 4,912,229 | 5,300,616 | 5,978,142 | 5,825,306 | 5,980,728 | 5,980,728 | 5,980,728 |
| Payroll taxes | 527,046 | 519,873 | 707,984 | 647,227 | 664,825 | 664,825 | 664,825 |
| Benefits | 1,730,189 | 1,784,252 | 2,037,550 | 1,982,706 | 2,310,440 | 2,310,440 | 2,310,440 |
| Total personal services | 7,169,464 | 7,604,742 | 8,723,676 | 8,455,239 | 8,955,993 | 8,955,993 | 8,955,993 |
| Materials and services | | | | | | | |
| Professional & technical | 14,030,649 | 9,516,460 | 2,170,048 | 1,949,431 | 2,303,674 | 2,303,674 | 2,303,674 |
| Facility and equipment | 1,029,887 | 1,048,357 | 1,297,539 | 1,199,580 | 1,361,660 | 1,361,660 | 1,361,660 |
| Other purchased services | 864,438 | 963,122 | 1,180,559 | 1,053,053 | 1,238,909 | 1,238,909 | 1,238,909 |
| Supplies | 429,072 | 445,595 | 593,928 | 563,244 | 587,764 | 587,764 | 587,764 |
| Community activities | 66,295 | 39,619 | 58,628 | 60,528 | 57,195 | 17,195 | 17,195 |
| Minor equipment | 175,255 | 176,285 | 263,692 | 231,494 | 204,226 | 204,226 | 204,226 |
| Other materials & services | 224 | (72,782) | 47,772 | (7,120) | (86,990) | (86,990) | (86,990) |
| Total materials & services | 16,595,820 | 12,116,655 | 5,612,165 | 5,050,210 | 5,666,438 | 5,626,438 | 5,626,438 |
| Capital outlay | | | | | | | |
| Land | 415,947 | 17,634 | - | - | - | - | - |
| Infrastructure | 376,845 | 878,247 | 17,040,150 | 13,413,559 | 13,231,082 | 13,231,082 | 13,231,082 |
| Vehicles | 192,194 | 35,101 | 274,000 | 269,000 | 35,000 | 35,000 | 35,000 |
| Furniture and equipment | 94,930 | 117,434 | 645,196 | 446,996 | 385,923 | 385,923 | 385,923 |
| Total capital outlay | 1,079,916 | 1,048,417 | 17,959,346 | 14,129,555 | 13,652,005 | 13,652,005 | 13,652,005 |
| Debt service | | | | | | | |
| Principal | 2,329,162 | 1,587,760 | 1,336,863 | 11,336,863 | 1,667,291 | 1,677,291 | 1,677,291 |
| Interest | 1,254,284 | 662,243 | 704,355 | 704,355 | 1,313,989 | 1,299,738 | 1,299,738 |
| Issuance costs | 1,600 | 7,184 | - | 175,000 | - | - | - |
| Total debt service | 3,585,046 | 2,257,187 | 2,041,218 | 12,216,218 | 2,981,280 | 2,977,029 | 2,977,029 |
| Total expenditures | 28,430,247 | 23,027,000 | 34,336,406 | 39,851,222 | 31,255,716 | 31,211,465 | 31,211,465 |
| Other uses | | | | | | | |
| Transfers out | 1,722,507 | 1,092,622 | 664,500 | 740,410 | 1,411,898 | 1,411,898 | 1,411,898 |
| Ending Fund Balance | 20,679,980 | 20,235,520 | - | - | - | - | - |
| Contingency | | | 21,849,430 | 20,154,212 | 15,328,160 | 15,334,411 | 15,334,411 |
| Total uses | 50,832,734 | 44,355,141 | 56,850,336 | 60,745,844 | 47,995,774 | 47,957,774 | 47,957,774 |

FINANCIALS**BUDGET IN TOTAL BY FUND****Budget in Total by Fund**

| | 2011-12 Budget | General Fund | Asset Depreci- ation Fund | General Construction Fund | Debt Service Fund |
|----------------------------|-------------------|-------------------|---------------------------------|---------------------------------|-------------------------|
| SOURCES | | | | | |
| Beginning fund balance | 20,154,212 | 1,758,847 | 217,998 | 347,783 | 1,532 |
| Revenue | | | | | |
| Taxes | 5,252,578 | 4,364,578 | - | - | 888,000 |
| Francise Fees | 1,596,052 | 1,596,052 | - | - | - |
| Licenses and permits | 71,000 | 71,000 | - | - | - |
| Intergovernmental | 3,427,576 | 1,389,968 | - | - | - |
| Charges for services | 7,383,900 | 501,964 | - | - | - |
| Infrastructure development | 444,600 | 122,600 | - | 100,000 | - |
| Fines, interest and other | 1,717,125 | 1,646,475 | - | 24,750 | - |
| Total revenue | 19,892,831 | 9,692,637 | - | 124,750 | 888,000 |
| Other sources | | | | | |
| Transfers in | 1,411,898 | 253,998 | - | - | - |
| Issuance of long-term debt | 6,498,833 | - | - | - | - |
| Total other sources | 7,910,731 | 253,998 | - | - | - |
| Total sources | 47,957,774 | 11,705,482 | 217,998 | 472,533 | 889,532 |
| USES | | | | | |
| Expenditures | | | | | |
| Personal services | | | | | |
| Salaries and wages | 5,980,728 | 4,758,084 | - | - | - |
| Payroll taxes | 664,825 | 517,550 | - | - | - |
| Benefits | 2,310,440 | 1,833,962 | - | - | - |
| Total personal services | 8,955,993 | 7,109,596 | - | - | - |
| Materials and services | | | | | |
| Professional & technical | 2,303,674 | 1,202,518 | - | - | - |
| Facility and equipment | 1,361,660 | 766,436 | - | - | - |
| Other purchased services | 1,238,909 | 620,635 | - | - | - |
| Supplies | 587,764 | 342,232 | - | - | - |
| Community activities | 17,195 | 17,195 | - | - | - |
| Minor equipment | 204,226 | 174,854 | - | - | - |
| Other materials & services | (86,990) | (1,079,104) | - | - | - |
| Total materials & services | 5,626,438 | 2,044,766 | - | - | - |
| Capital outlay | | | | | |
| Infrastructure | 13,231,082 | 192,000 | - | - | - |
| Vehicles | 35,000 | 35,000 | - | - | - |
| Furniture and equipment | 385,923 | 334,923 | - | - | - |
| Total capital outlay | 13,652,005 | 561,923 | - | - | - |
| Debt service | | | | | |
| Principal | 1,677,291 | 164,273 | - | 36,120 | 705,000 |
| Interest | 1,299,738 | 36,529 | - | 12,021 | 182,897 |
| Total debt service | 2,977,029 | 200,802 | - | 48,141 | 887,897 |
| Total expenditures | 31,211,465 | 9,917,087 | - | 48,141 | 887,897 |
| Other uses | | | | | |
| Transfers out | 1,411,898 | 200,000 | 217,998 | - | - |
| Ending Fund Balance | - | - | - | - | - |
| Contingency | 15,334,411 | 1,588,395 | 0 | 424,392 | 1,635 |
| Total uses | 47,957,774 | 11,705,482 | 217,998 | 472,533 | 889,532 |

FINANCIALS**BUDGET IN TOTAL BY FUND****Budget in Total by Fund**

| | Street | Street | Enterprise Funds | | | |
|----------------------------|------------------|------------------|-------------------|------------------|------------------|----------------|
| | Operations Fund | Capital Fund | Water Fund | Sanitary Fund | Storm Fund | Telecom Fund |
| SOURCES | | | | | | |
| Beginning fund balance | 280,652 | 3,451,547 | 9,503,316 | 3,614,505 | 843,907 | 134,125 |
| Revenue | | | | | | |
| Taxes | - | - | - | - | - | - |
| Francise Fees | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | 901,200 | 25,000 | - | 761,408 | 350,000 | - |
| Charges for services | 530,000 | - | 4,201,200 | 512,736 | 1,360,000 | 278,000 |
| Infrastructure development | - | 150,000 | 66,000 | 3,000 | 3,000 | - |
| Fines, interest and other | - | - | 24,000 | 8,700 | 1,200 | 12,000 |
| Total revenue | 1,431,200 | 175,000 | 4,291,200 | 1,285,844 | 1,714,200 | 290,000 |
| Other sources | | | | | | |
| Transfers in | 229,000 | 783,900 | 25,000 | 50,000 | 60,000 | 10,000 |
| Issuance of long-term debt | - | - | 6,498,833 | - | - | - |
| Total other sources | 229,000 | 783,900 | 6,523,833 | 50,000 | 60,000 | 10,000 |
| Total sources | 1,940,852 | 4,410,447 | 20,318,349 | 4,950,349 | 2,618,107 | 434,125 |
| USES | | | | | | |
| Expenditures | | | | | | |
| Personal services | | | | | | |
| Salaries and wages | 191,616 | 123,144 | 427,764 | 227,304 | 235,092 | 17,724 |
| Payroll taxes | 27,969 | 11,726 | 49,517 | 26,240 | 30,262 | 1,561 |
| Benefits | 75,780 | 45,180 | 184,266 | 79,080 | 85,008 | 7,164 |
| Total personal services | 295,365 | 180,050 | 661,547 | 332,624 | 350,362 | 26,449 |
| Materials and services | | | | | | |
| Professional & technical | 35,704 | - | 854,508 | 35,508 | 165,396 | 10,040 |
| Facility and equipment | 416,500 | - | 91,312 | 24,240 | 25,216 | 37,956 |
| Other purchased services | 43,916 | 324 | 382,462 | 72,480 | 87,652 | 31,440 |
| Supplies | 60,756 | - | 134,488 | 12,188 | 23,100 | 15,000 |
| Community activities | - | - | - | - | - | - |
| Minor equipment | 1,008 | - | 8,004 | 1,508 | 8,852 | 10,000 |
| Other materials & services | 141,196 | 139,486 | 316,245 | 198,451 | 184,091 | 12,644 |
| Total materials & services | 699,080 | 139,810 | 1,787,019 | 344,375 | 494,307 | 117,080 |
| Capital outlay | | | | | | |
| Infrastructure | 588,000 | 3,439,800 | 7,007,750 | 1,403,329 | 600,203 | - |
| Vehicles | - | - | - | - | - | - |
| Furniture and equipment | - | - | - | - | 11,000 | 40,000 |
| Total capital outlay | 588,000 | 3,439,800 | 7,007,750 | 1,403,329 | 611,203 | 40,000 |
| Debt service | | | | | | |
| Principal | 57,517 | - | 501,470 | 54,642 | 158,269 | - |
| Interest | 1,864 | - | 1,054,103 | 1,771 | 10,552 | - |
| Total debt service | 59,381 | - | 1,555,573 | 56,413 | 168,821 | - |
| Total expenditures | 1,641,826 | 3,759,660 | 11,011,889 | 2,136,741 | 1,624,694 | 183,529 |
| Other uses | | | | | | |
| Transfers out | - | - | 240,000 | 323,900 | 230,000 | 200,000 |
| Ending Fund Balance | | | | | | |
| Contingency | 299,025 | 650,786 | 9,066,459 | 2,489,708 | 763,413 | 50,597 |
| Total uses | 1,940,852 | 4,410,447 | 20,318,349 | 4,950,349 | 2,618,107 | 434,125 |



General Fund

The General Fund is the main operating fund. It includes all resources not accounted for in other funds. General fund revenues can generally be used for any government purpose. The General Fund is split into departments which reflect city programs and managerial responsibilities. These are grouped into five divisions for purposes of appropriations.

The divisions are:

- Administration
- Public Safety
- Public Works
- Community Development
- Community Services

Property Tax Levies

There are three types of property tax levies in Oregon. The permanent rate levy funds general city operations. The debt service levy is used for principal and interest payments on general obligation bonds approved by the voters. Local option levies, which Sherwood currently does not have, are voter-approved, time-limited levies for specified purposes.

The Washington County Department of Assessment and Taxation determines assessed values and collects taxes. Property is assessed January 1 for the fiscal year beginning July 1. Taxes are due beginning November 15, and discounts are allowed for taxes paid in full by November 15.

Assessed Value

Each local government's tax rate was determined by the state in 1997. Sherwood's permanent rate is \$3.2975 per \$1,000 of assessed value. No action of the city can increase the permanent tax rate.

Ballot Measure 50, implemented in the 1997-98 tax year, limits assessed value to the lower of Maximum Assessed Value (MAV) or Real Market Value (RMV). Maximum Assessed Value increases by 3% annually.

There are exceptions to the 3% annual increase. Maximum Assessed Value may increase by more than 3% if:

- There is new construction or improvements
- The property is partitioned or subdivided
- Rezoning occurs and the property is used consistent with rezoning

Limits and Compression

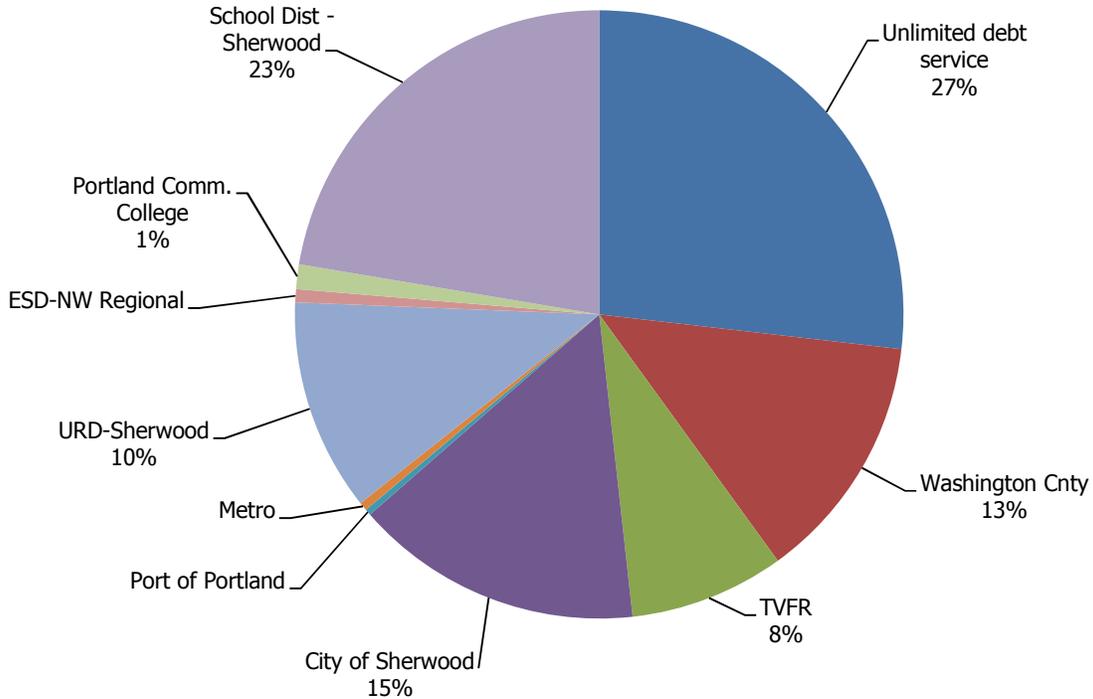
The total tax on a given piece of property is limited as follows:

- General Government: \$10 per \$1,000 of Real Market Value
- Schools: \$5 per \$1,000 of Real Market Value
- Unlimited debt service: levies to pay bonds for capital construction projects are not subject to limitation.

If the total tax bill exceeds the limits, taxes are reduced in a process called compression.

In 2010-11, Sherwood property owners paid tax as follows:

2010-11 Tax Levy Categories



Effect of the Sherwood Urban Renewal Agency

The Urban Renewal District is a geographic area within the City of Sherwood, defined in the Urban Renewal Plan. The purpose of the district is to eliminate blight and create an environment in which the private sector may develop uses consistent with the goals of the Urban Renewal Plan. The District borrows money to fund infrastructure and other improvements, receives property taxes calculated on the increased assessed values, and uses the taxes to pay debt service on the borrowings. The URA began operations in 2001-02. The assessed value in the district was determined at that date and became the frozen base. In subsequent years, the incremental assessed value is the difference between the assessed value in the district and the frozen base. Each year, the URA receives property tax attributable to the incremental assessed value; the city general fund receives property tax attributable to the city's assessed value less the URA incremental value.

Property tax for the URA is a portion of the permanent rate levy for the city and each overlapping tax district, not an addition to it. The amount of tax for the URA is *determined* by the incremental assessed value in the Urban Renewal District, but the tax is *collected* by dividing the city's (and each taxing entity's) permanent rate levy. Thus, tax for the URA appears on each tax bill in Sherwood, not just those in the URD. Absent the URA, the tax would go to the City and other taxing districts -- but without urban renewal efforts and expenditures, the assessed values presumably would not have increased.

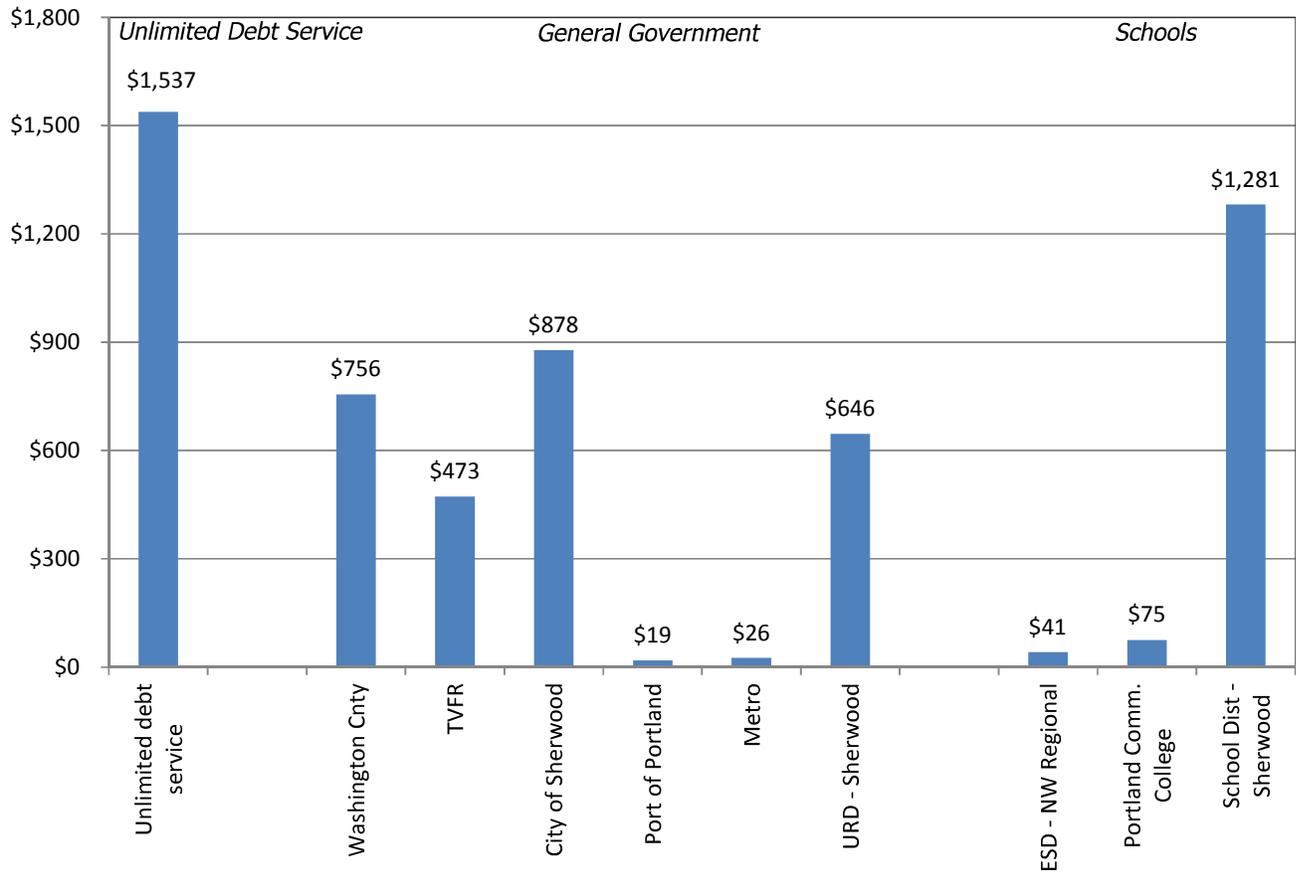
The URD will cease to exist after it has incurred and repaid the maximum indebtedness specified in the plan, \$35,347,600.

GENERAL GOVERNMENT

PROPERTY TAX LEVIES

2010-11 Tax

A Sherwood homeowner with an assessed value of \$300,000 would have paid \$5,731 in property taxes, as follows:



The City of Sherwood’s portion of unlimited debt service is \$184.44; the remainder is for other jurisdictions such as Tualatin Valley Fire, Sherwood School Dist., and Washington County.

Property Tax Levies

General Fund

| | |
|--|---------------------|
| Estimated Taxable assessed value (exclusive of URA incremental assessed value) | \$ 1,347,705,286 |
| Multiplied by the permanent rate | <u>0.0032975</u> |
| Levy | 4,444,058 |
| Plus tax on farmland previously deferred | - |
| Less amount uncollectable in the year levied | <u>(231,980)</u> |
| General fund FY11-12 property taxes | <u>\$ 4,212,078</u> |

Debt Service Fund

| | |
|--|-------------------|
| Levy | \$ 888,000 |
| Less amount uncollectable in the year levied | - |
| Debt service fund FY11-12 property taxes | <u>\$ 888,000</u> |

GENERAL GOVERNMENT

GENERAL FUND

General Fund in Total

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ (1,242,300) | \$ 898,753 | \$ 1,355,891 | \$ 1,862,794 | \$ 1,758,847 | \$ 1,758,847 | \$ 1,758,847 |
| Revenue | | | | | | | |
| Taxes | 3,880,855 | 4,039,542 | 4,265,554 | 4,154,250 | 4,364,578 | 4,364,578 | 4,364,578 |
| Franchise Fees | 1,392,530 | 1,578,593 | 1,509,706 | 1,547,651 | 1,596,052 | 1,596,052 | 1,596,052 |
| Licenses and permits | 82,359 | 83,009 | 71,600 | 71,600 | 71,000 | 71,000 | 71,000 |
| Intergovernmental | 3,285,072 | 1,315,052 | 1,502,306 | 1,339,076 | 1,389,968 | 1,389,968 | 1,389,968 |
| Charges for services | 658,267 | 465,738 | 462,422 | 519,333 | 501,964 | 501,964 | 501,964 |
| Infrastructure development | 36,617 | 114,396 | 166,024 | 103,100 | 122,600 | 122,600 | 122,600 |
| Fines, interest and other | 686,911 | 633,159 | 2,064,932 | 1,353,440 | 1,646,475 | 1,646,475 | 1,646,475 |
| Total revenue | 10,022,611 | 8,229,489 | 10,042,544 | 9,088,450 | 9,692,637 | 9,692,637 | 9,692,637 |
| Other sources | | | | | | | |
| Transfers in | 27,300 | 372,367 | - | - | 253,998 | 253,998 | 253,998 |
| Sale of fixed assets | 3,340,591 | 250,000 | - | - | - | - | - |
| Total other sources | 3,367,891 | 622,367 | - | - | 253,998 | 253,998 | 253,998 |
| Total sources | 12,148,202 | 9,750,609 | 11,398,435 | 10,951,244 | 11,705,482 | 11,705,482 | 11,705,482 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 4,051,524 | 4,224,480 | 4,656,336 | 4,549,807 | 4,758,084 | 4,758,084 | 4,758,084 |
| Payroll taxes | 444,197 | 410,202 | 540,058 | 495,657 | 517,550 | 517,550 | 517,550 |
| Benefits | 1,440,824 | 1,422,917 | 1,587,166 | 1,551,923 | 1,833,962 | 1,833,962 | 1,833,962 |
| Total personal services | 5,936,545 | 6,057,599 | 6,783,559 | 6,597,388 | 7,109,596 | 7,109,596 | 7,109,596 |
| Materials and services | | | | | | | |
| Professional & technical | 808,946 | 717,101 | 1,253,187 | 1,051,241 | 1,202,518 | 1,202,518 | 1,202,518 |
| Facility and equipment | 607,650 | 569,885 | 737,147 | 685,508 | 766,436 | 766,436 | 766,436 |
| Other purchased services | 449,649 | 375,792 | 574,150 | 492,321 | 620,635 | 620,635 | 620,635 |
| Supplies | 290,297 | 268,103 | 337,144 | 347,828 | 342,232 | 342,232 | 342,232 |
| Community activities | 66,247 | 39,619 | 58,328 | 60,228 | 57,195 | 17,195 | 17,195 |
| Minor equipment | 103,870 | 154,864 | 208,832 | 189,114 | 174,854 | 174,854 | 174,854 |
| Other materials & services | (549,285) | (695,397) | (1,069,387) | (984,018) | (1,079,104) | (1,079,104) | (1,079,104) |
| Total materials & services | 1,777,374 | 1,429,966 | 2,099,401 | 1,842,222 | 2,084,766 | 2,044,766 | 2,044,766 |
| Capital outlay | | | | | | | |
| Land | 264,000 | - | - | - | - | - | - |
| Infrastructure | 34,029 | 24,045 | 98,000 | 94,000 | 192,000 | 192,000 | 192,000 |
| Vehicles | 32,017 | 35,101 | 20,000 | 15,000 | 35,000 | 35,000 | 35,000 |
| Furniture and equipment | 66,960 | 104,839 | 382,200 | 204,000 | 334,923 | 334,923 | 334,923 |
| Total capital outlay | 397,006 | 163,986 | 500,200 | 313,000 | 561,923 | 561,923 | 561,923 |
| Debt service | | | | | | | |
| Principal | 987,647 | 136,596 | 146,068 | 146,068 | 164,273 | 164,273 | 164,273 |
| Interest | 697,691 | 50,416 | 43,718 | 43,718 | 36,529 | 36,529 | 36,529 |
| Total debt service | 1,685,338 | 187,012 | 189,786 | 189,786 | 200,802 | 200,802 | 200,802 |
| Total expenditures | 9,796,263 | 7,838,563 | 9,572,947 | 8,942,397 | 9,957,087 | 9,917,087 | 9,917,087 |
| Other uses | | | | | | | |
| Transfers out | 1,453,186 | 49,252 | 250,000 | 250,000 | 200,000 | 200,000 | 200,000 |
| Ending Fund Balance | 898,753 | 1,862,794 | - | - | - | - | - |
| Contingency | | | 1,575,488 | 1,758,847 | 1,548,395 | 1,588,395 | 1,588,395 |
| Total uses | 12,148,202 | 9,750,609 | 11,398,435 | 10,951,244 | 11,705,482 | 11,705,482 | 11,705,482 |

GENERAL GOVERNMENT**GENERAL FUND****General Fund in Total by Division**

| | Administration | Community Development | Public Safety | Community Services | Public Works Operations | 2011-12 Budget |
|------------------------------------|-------------------|-----------------------|------------------|--------------------|-------------------------|-------------------|
| SOURCES | | | | | | |
| Beginning fund balance | 1,758,847 | - | - | - | - | \$ 1,758,847 |
| Revenue | | | | | | |
| Taxes | 4,364,578 | - | - | - | - | 4,364,578 |
| Francise Fees | 1,596,052 | - | - | - | - | 1,596,052 |
| Licenses and permits | 61,000 | - | 10,000 | - | - | 71,000 |
| Intergovernmental | 392,400 | 5,000 | 209,982 | 702,586 | 80,000 | 1,389,968 |
| Charges for services | 45,000 | 239,230 | 4,000 | 210,179 | 3,555 | 501,964 |
| Infrastructure development charges | - | 122,600 | - | - | - | 122,600 |
| Fines, interest and other | 1,570,975 | - | 27,500 | 33,000 | 15,000 | 1,646,475 |
| Total revenue | 8,030,005 | 366,830 | 251,482 | 945,765 | 98,555 | 9,692,637 |
| Other sources | | | | | | |
| Transfers in | 253,998 | - | - | - | - | 253,998 |
| Total other sources | 253,998 | - | - | - | - | 253,998 |
| Total sources | 10,042,850 | 366,830 | 251,482 | 945,765 | 98,555 | 11,705,482 |
| USES | | | | | | |
| Expenditures | | | | | | |
| Personal services | | | | | | |
| Salaries and wages | 1,125,312 | 564,648 | 1,881,036 | 662,364 | 524,724 | 4,758,084 |
| Payroll taxes | 96,099 | 54,752 | 240,164 | 58,422 | 68,113 | 517,550 |
| Benefits | 417,785 | 215,445 | 751,776 | 238,716 | 210,240 | 1,833,962 |
| Total personal services | 1,639,196 | 834,845 | 2,872,976 | 959,502 | 803,077 | 7,109,596 |
| Materials and services | | | | | | |
| Professional & technical services | 619,375 | 99,506 | 213,000 | 58,040 | 212,597 | 1,202,518 |
| Facility and equipment | 299,230 | 14,420 | 108,204 | 960 | 343,622 | 766,436 |
| Other purchased services | 417,951 | 34,918 | 100,668 | 28,336 | 38,762 | 620,635 |
| Supplies | 18,320 | 5,974 | 48,656 | 141,450 | 127,832 | 342,232 |
| Community activities | 9,200 | 195 | 2,500 | 3,000 | 2,300 | 17,195 |
| Minor equipment | 117,500 | 6,050 | 6,504 | 3,000 | 41,800 | 174,854 |
| Other materials and services | (951,284) | (128,820) | 1,000 | - | - | (1,079,104) |
| Total materials and services | 530,292 | 32,243 | 480,532 | 234,786 | 766,913 | 2,044,766 |
| Capital outlay | | | | | | |
| Infrastructure | - | - | - | - | 192,000 | 192,000 |
| Vehicles | - | - | 35,000 | - | - | 35,000 |
| Furniture and equipment | 192,441 | - | 142,482 | - | - | 334,923 |
| Total capital outlay | 192,441 | - | 177,482 | - | 192,000 | 561,923 |
| Debt service | | | | | | |
| Principal | 103,880 | - | - | 30,197 | 30,197 | 164,273 |
| Interest | 34,571 | - | - | 979 | 979 | 36,529 |
| Total debt service | 138,451 | - | - | 31,175 | 31,175 | 200,802 |
| Total expenditures | 2,500,380 | 867,088 | 3,530,990 | 1,225,463 | 1,793,165 | 9,917,087 |
| Other uses | | | | | | |
| Transfers out | 200,000 | - | - | - | - | 200,000 |
| Ending Fund Balance | - | - | - | - | - | - |
| Contingency | 1,588,395 | - | - | - | - | 1,588,395 |
| Total uses | 4,288,775 | 867,088 | 3,530,990 | 1,225,463 | 1,793,165 | 11,705,482 |
| Net sources (uses) | \$ 5,754,075 | \$ (500,258) | \$ (3,279,508) | \$ (279,698) | \$ (1,694,610) | \$ - |

GENERAL GOVERNMENT**ADMINISTRATION****Administration Division**

Administration provides leadership and support for all City functions including the City Council. Administration includes the City Council, City Recorder, City Manager, Assistant City Manager, Information Technology, Human Resources and Finance.

All general government revenue such as taxes and franchise fees are posted to the Administration.

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Adopted |
|-------------------------------|-------------------|-------------------|-------------------|----------------------|--------------------|
| Revenue | | | | | |
| Taxes | 3,880,855 | 4,039,542 | 4,265,554 | 4,154,250 | 4,364,578 |
| Franchise Fees | 1,392,530 | 1,578,593 | 1,509,706 | 1,547,651 | 1,596,052 |
| Licenses and Permits | 70,734 | 71,109 | 61,200 | 61,200 | 61,000 |
| Intergovernmental | 2,377,709 | 367,276 | 410,300 | 410,300 | 392,400 |
| Charges for Services | 26,554 | 32,028 | 25,300 | 37,740 | 45,000 |
| Infrastructure & Development | - | 300 | - | - | - |
| Other Revenue | 560,067 | 488,236 | 1,970,482 | 1,245,893 | 1,570,975 |
| Transfers in & Other Sources | 3,329,000 | 622,367 | - | - | 253,998 |
| Total revenue | 11,637,449 | 7,199,452 | 8,242,542 | 7,457,034 | 8,284,003 |
| Expenditures | | | | | |
| Personal services | 1,271,458 | 1,290,725 | 1,668,776 | 1,504,613 | 1,639,196 |
| Materials and services | (916,788) | (981,269) | (908,469) | (958,231) | 530,292 |
| Capital outlay | 330,960 | 103,065 | 127,800 | 40,000 | 192,441 |
| Debt service | 1,672,837 | 137,009 | 139,782 | 139,782 | 138,451 |
| Transfers out & Other Sources | 1,453,186 | 49,252 | 250,000 | 250,000 | 200,000 |
| Total expenditures | 3,811,652 | 598,782 | 1,277,889 | 976,165 | 2,700,380 |
| Net revenue (expenditures) | 7,825,797 | 6,600,670 | 6,964,653 | 6,480,869 | 5,583,623 |

The City of Sherwood had nearly 80,000 unique visitors to it's website in 2010.

City Manager

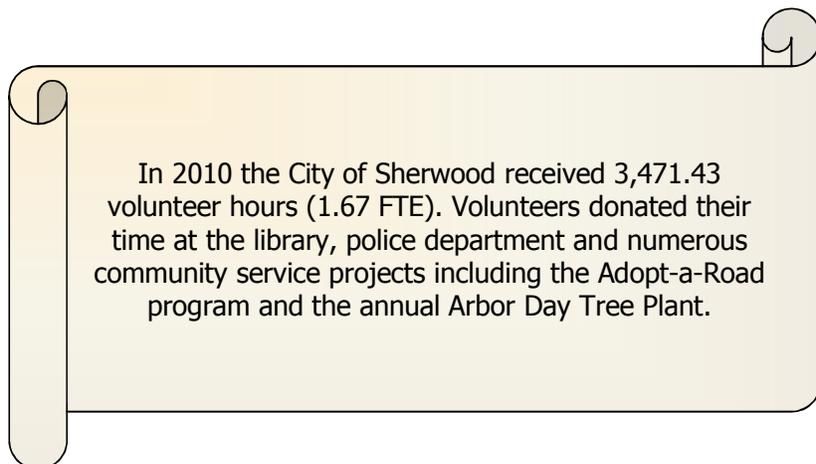
City Manager provides leadership, coordination and management for the City and is responsible for establishing general administrative policies that govern the operations of the city. The City Manager, with input from his Senior Management team, also supports and assists the Mayor and City Councilor’s in their roles as policy makers by providing accurate and timely information and appropriate policy alternatives. The City Manager as an appointed officer by the City Council also works closely with the other three appointed officers, the City Attorney, City Recorder and Municipal Court Judge. These appointed, contract employees also provides oversight for contracts, budget development, official records, legislative activities, public information and municipal elections.

2010-11 Accomplishments

- Received approval and adopted balanced budget by City Council for 2010-2011 budget.
- ¾ Completion of water pipeline to Wilsonville along with successful negotiation completion
- Approval of Cannery PUD and redevelopment started winter 2010
- Beginning of Municipal Code Clean Up process
- Continuing to improve Citizen Communication and outreach
- Completion of School District IGA, including newly constructed schools and facilities
- Renewal of WCCLS levy during November 2010 election by voters to provide funding for City of Sherwood Library
- Council approval, construction and implementation of Photo Red Light Cameras on Highway 99W to enhance safety.
- Public Works Director, recruited, hired and trained customer service representatives in water utility billing department after transition from TVWD.
- Successfully recruited and hired new Finance Director, February 2010.

2011-2012 Goals, Strategies, Values, Activities, and Performance Measures

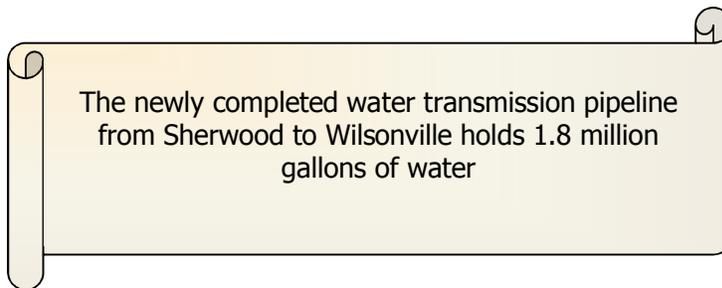
Oversee all divisions and departments in their efforts to meet the City’s goals.



Assistant City Manager

The Assistant City Manager functions as the operations officer for the City Manager, monitoring City activities and projects to assure timely coordination and completion. The Assistant City Manager oversees the Human Resources Division, Finance, Information Technology and the Urban Renewal District. This role also makes recommendations to the City Manager for policies and procedures and City wide budget development and implementation.

The Assistant City Manager position is again unfunded for fiscal year 2011-2012.



City Council and Recorder

The seven-member City Council is composed of an elected Mayor and six elected Councilors. The Council members serve a four year term and the Mayor serves two years. The City Council is the legislative branch of our local government which is responsible for setting policies. This is accomplished through the adoption of ordinances and resolutions. City Council meets in regular monthly meetings. In addition Council work sessions are held to study upcoming issues. The City Recorder is responsible for the management of City records and provides administrative support to the Council.

2010-11 Accomplishments

- Established table of Council Records on City website, continue working to populate table
- Obtained CMC, Certified Municipal Clerks Certification from the International Institute of Municipal Clerks, continuing education to obtain MMC, Master Municipal Clerk Certification
- Continued recognition of Student Academic and Athletic Achievements and Eagle Scouts Awards
- Expanded program with Boy Scouts of America in support of scouts working towards earning Merit Badges

2011-2012 Goals, Strategies, Values, Activities, and Performance Measures

The City of Sherwood, **City Recorder** supports all City departments in achieving the Goals of the City by supporting the values identified as important by City leaders.

Value: *The City of Sherwood Values and Promotes Quality Services & Fiscal Responsibility*

Strategies:

Develop and Implement a Records Management program

Activities:

- Provide staff training on records management, writing legislation and Code amendments, keep staff apprised of new Oregon Administrative Rules
- Coordinate Records Management Day at all City facilities
- Prepare records for Records Archive Room, creating electronic records, review retention dates, prepare records for destruction and abide by Oregon Administrative Rules
- Manage Requests for Records
- Record documents with local government agencies
- Responsible for maintaining the Sherwood Municipal Code and managing the public link via the City website

Performance Measures:

- Responded to and filled 50+ Request for Records
- Coordinated and oversaw 15+ amendments to the Municipal Code

City Council and Recorder

Value: *The City of Sherwood Values and Promotes Quality Services & Citizen Participation*

Strategies:

Provide excellent support to the City Council.

Activities:

- Prepare Council & URA Board agenda’s and meeting materials
- Prepare and post public notices
- Prepare legislation for adoption
- Transcribe meeting minutes
- Ensure meeting records are complete and accurate
- Manage all correspondences of elected officials
- Serve as contact person for elected officials
- Coordinate annual student achievement awards
- Coordinate monthly Boy Scout and Girl Scout achievement awards
- Support Boys Scouts of American earning of Merit Badges
- Produce and manage City Council/City Recorder annual budget

Performance Measures:

- Coordinated 2 monthly City Council meetings and URA Board meetings as needed, prepare materials and transcribe meeting minutes
- Prepare 100+ pieces of legislation per year for City Council & URA Board
- Recognized 200+ Students for Academic and Athletic Achievements

Serve as the City Elections Official

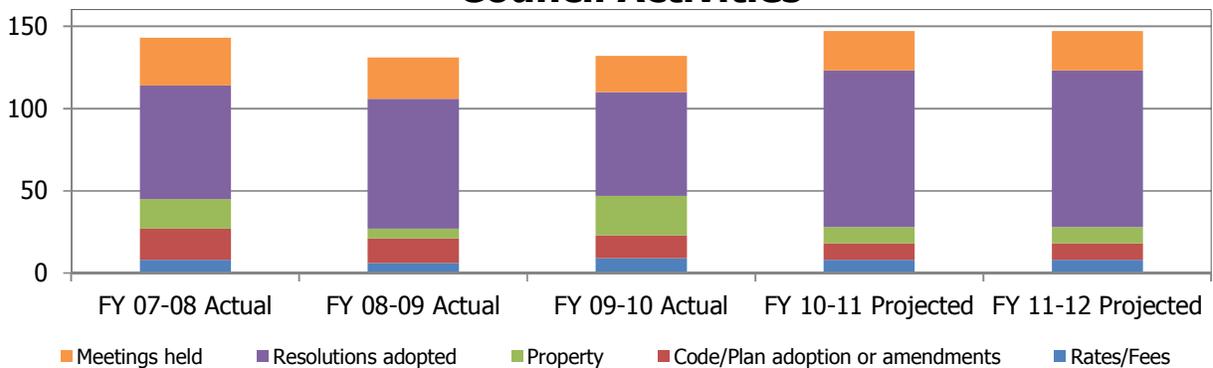
Activities:

- Coordinate and oversee City elections
- Abide by Oregon Election Laws
- Prepare ballot measures
- Ensure proper public noticing
- Canvass election results and record with County Elections Office

Performance Measure:

- Successfully coordinate 1 City Election in 2011-12

Council Activities



Information Technologies

The Information Technologies department provides technical support, troubleshooting and maintenance of computer hardware and software used by the city. The department operates and maintains the network, servers, phone systems, Sherwood Broadband, and Sherwood public access channel. This department also manages software licensing, assists departments in improving service through effective use of technology and provides training to staff.

2010-11 Accomplishments

- Added and enhanced several features on the website (E-News, Meeting Resources, Forms/Surveys, etc.)
- Improved the cable access channel by adding a bulletin board feature and Planning Commission videos.
- Achieved roughly 60k in savings by renegotiating contracts and service modifications.
- Continued server and storage consolidation, achieving significant cost savings and added efficiencies.
- Developed a Network Master Plan that outlines configuration, policy and equipment changes to support the current and future needs of the city.
- Replaced 50 desktop computers and updated our operating environment and word procession applications.
- IT staff developed several applications "in house" resulting in significant savings and added efficiency to the City.

2011-2012 Goals, Strategies, Values, Activities, and Performance Measures

The City of Sherwood Information Technology Department supports all the technical needs of the employees of Sherwood along with support to the Sherwood Broadband utility and its customers.

Value: *The City of Sherwood Values and Promotes Quality Services*

Strategies:

Continue IT Service Management improvements

Activities:

- Develop automated workflows for common IT processes
- Increase the amount of end user documentation
- Build upon the current IT knowledge management system
- Increase the development of IT policies and standards

Performance Measure:

- Help Desk satisfaction rate

Information Technologies

Value: *The City of Sherwood Values and Promotes Community Pride*

Strategies:

Enhance the community information presented on the website and cable access channel

Activities:

- Synchronize community information on both the website and cable access channel
- Complete visual improvements to the cable access channel
- Improve the citizen services on the website through the use of online forms.

Performance Measure:

- Visitors to the city's website and average time spent on the site

Value: *The City of Sherwood Values and Promotes Fiscal Responsibility*

Strategies:

Continue current server and storage consolidation efforts

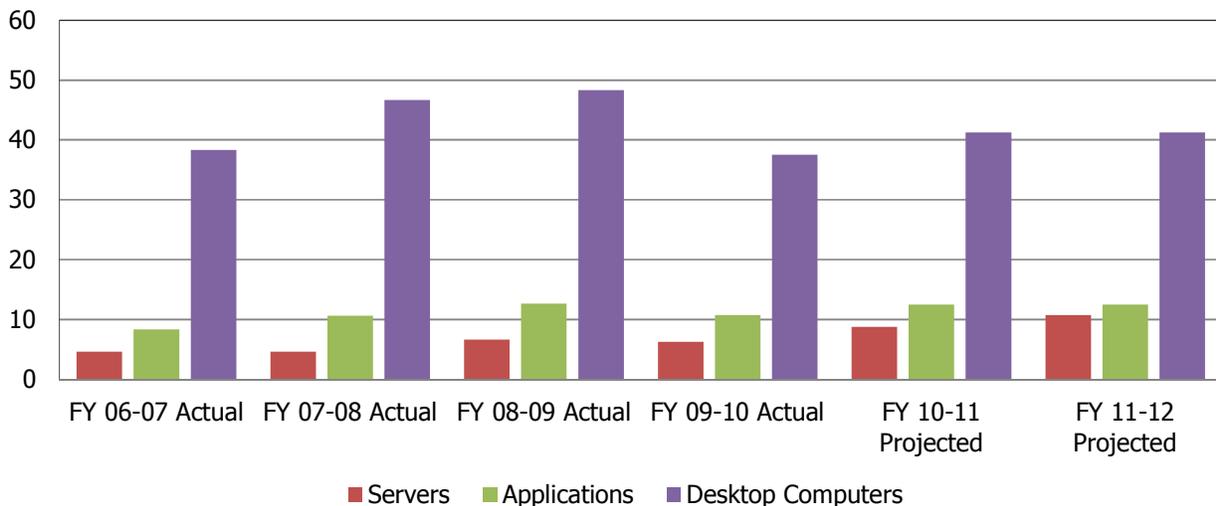
Activities:

- Implement Disaster Recovery Plan recommendations into our server and storage systems.
- Continue to migrate all city data to the consolidated storage system.
- Deploy a long term (archival) storage solution that supports the city's Disaster Recovery Plan and current server/storage system.

Performance Measure:

- Server consolidation ratio and percentage of servers virtualized.

Number of Systems Supported per IT FTE



Human Resources & Risk Management

The Human Resource Department provides personnel support for all City employees. This department also includes recruitment, training and development, benefit and compensation, and salary classifications and is responsible for managing and updating The City of Sherwood Employee Manual and Employee Policies. Manages two union contracts and leads employee advocacy. Risk Management is responsible for managing the policies and processing claims for workers' compensation, property, auto and equipment and liability insurance. This department also reviews and manages the City's benefit package to insure the best possible rates and protection for employees at a reasonable rate.

2010-11 Accomplishments

- Retain, recruit and train a top quality work force.
- Manage all lines of insurance coverage for the City.
- Proactive Risk Management.
- Lead in employee advocacy.

2011-2012 Goals, Strategies, Values, Activities, and Performance Measures

The City of Sherwood Human Resource Department goals are the **Values** identified as important by City leaders.

Value: *The City of Sherwood Values and Promotes Fiscal Responsibility*

Strategies:

Develop and Implement a fiscally responsible Risk Management Plan

Activities:

- Create and implement Risk Management Tools.
- Promote a safe work environment by providing proper training and ergonomic work place for employees.
- Manage Workers' Compensation Claims and promote an "Early Return to Work" plan.
- Provide employee safety training for improved on the job safety.

Performance Measures:

- 100% of all workers comp claims will participate in an "early return to work" plan.
- All divisions are represented on the City of Sherwood safety committee
- Safety committee will meet monthly.

Activities:

- Continue using Assessment Center processes for qualifying applicants.
- Promote a healthy and productive work environment with on-going incentive plans.
- Manage employee health benefit plans and programs that are cost effective.
- Employee Advocacy through maintaining a positive work environment with employees and unions. Implementing positive evaluations for employee feedback.

Performance Measures:

- At least 90% of employees will participate in the wellness survey during benefit enrollment

Human Resources & Risk Management

Value: *The City of Sherwood Values and Promotes Quality Services*

Strategies:

Develop and Implement Employee Training

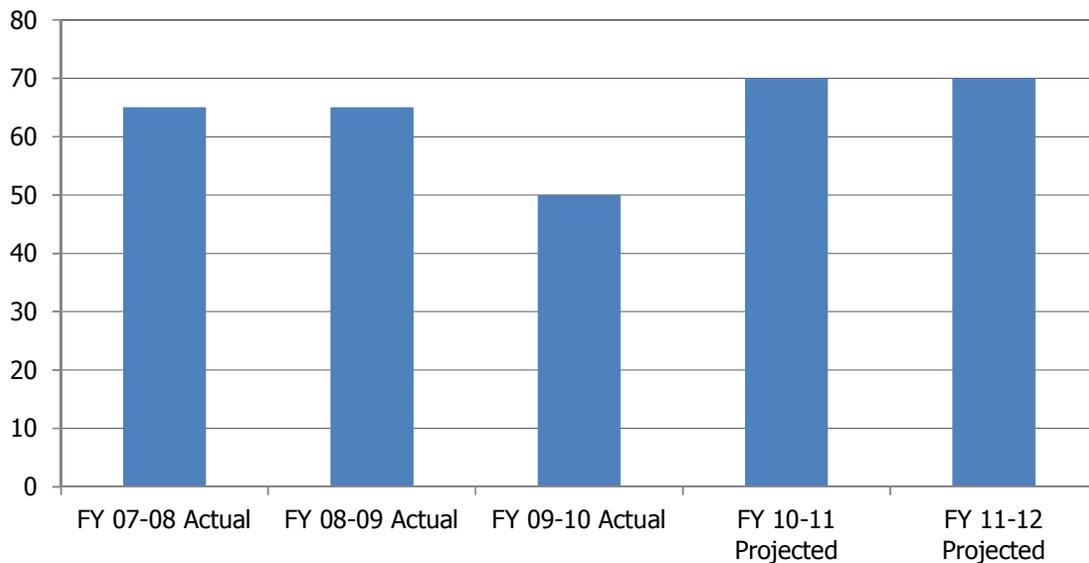
Activities:

- Create an On-Line Employee Orientation and Training Tool.
- Organize on-site training for employees and management.
- Attend Risk Management, Employee Relations and Policy Training Seminars to keep up to date on HR Trends.
- Work with Manager/Supervisors and Directors to motivate and further train employees on all aspects of the job functions, team work, customer service and time management. Adding additional training topics throughout the year as needed.

Performance Measures:

- Implementation of employee online training program
- Conduct quarterly training for employees on wellness related topics
- Attend 90% of the HR Forum meetings

Average Hours of Training per FTE



Finance

The Finance department provides financial information, oversight and management. Finance is responsible for the annual budget, annual audit, debt management, payroll, cash management, reception, and accounts payable. Municipal Court is part of the Finance Department, and is responsible for processing all citations and violations issued by the Sherwood Police Department.

2010-11 Accomplishments

- Received the GFOA Budget Award for Fiscal Year 2010-2011.
- Implemented Photo Red Light processing into Court operations
- Upgraded the city’s financial software system
- Created new fiscal policies with the Budget Committee
- Met all CAFR deadlines

2011-2012 Goals, Strategies, Values, Activities, and Performance Measures

The City of Sherwood Finance Department supports all other departments in achieving the Goals of the City by **Supporting** the **Values** identified as important by City leaders.

Value: *The City of Sherwood Values and Promotes Fiscal Responsibility*

Strategies:

Develop and implement a fiscally responsible budget

Activities:

- Budget preparation and monitoring
- Process receipts, purchasing, payments and deposits

Performance Measures:

- Receive the GFOA Budget Award
- Process all cash receipts within 48 hours of receipt
- All vendors are paid within 30 days of receipt of invoices

Comply with State Auditing Guidelines

Activities:

- Prepare work papers and coordinate Comprehensive Annual Financial Report

Performance Measure:

- Meet all statutory requirements and deadlines with preparing the CAFR

Update and maintain the City’s Payroll System

Activities:

- Review and process time sheets
- Process all Federal and State Tax Reporting
- Update and Maintain PERS reporting requirements

Performance Measure:

- All employees are paid on time and all statutory requirements are met.

Finance

Develop and Implement City Financing and Investment portfolios

Activities

- Monitor Bank and LGIP accounts
- Develop and implement financing arrangements for City projects

Performance Measure:

- A funding plan will be identified for all City projects prior to the projects start dates

Value: *The City of Sherwood Values and Promotes Quality Services*

Strategies:

Provide excellent reception services for customers at City Hall

Activities:

- Maintain knowledge of City departments and staff
- Assist customers with information referrals
- Assist customers with applicable forms and applications.

Performance Measures:

- All phone calls are responded to within 24 hours
- Have staff available for Business License questions during all operating hours

Develop and Maintain Customer Oriented Court Administration

Activities:

- Import and track citations
- Process arraignment and trial sessions
- Assure compliance with Oregon Statutes and Administrative Rules

Performance Measures:

- All phone calls are responded to within 24 hours
- Mail correspondence is responded to within 5 days of receipt

Community Development Division

To provide overall management and administrative support for the City’s Community Development Division. This division includes planning, engineering, and building. Community Development strives to provide efficient, consistent, and seamless private and public development services.

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Adopted |
|------------------------------|-------------------|-------------------|-------------------|----------------------|--------------------|
| Revenue | | | | | |
| Intergovernmental | 126,476 | 148,631 | 52,110 | 58,010 | 5,000 |
| Charges for Services | 413,768 | 200,652 | 247,882 | 241,554 | 239,230 |
| Infrastructure & Development | 36,617 | 114,096 | 166,024 | 103,100 | 122,600 |
| Other Revenue | (0) | - | 150 | 150 | - |
| Transfers in & Other Sources | 38,891 | - | - | - | - |
| Total revenue | 615,752 | 463,379 | 466,166 | 402,814 | 366,830 |
| Expenditures | | | | | |
| Personal services | 929,730 | 861,974 | 831,795 | 917,212 | 834,845 |
| Materials and services | 562,076 | 412,025 | 426,731 | 379,950 | 32,243 |
| Total expenditures | 1,491,806 | 1,274,000 | 1,258,526 | 1,297,162 | 867,088 |
| Net revenue (expenditures) | (876,055) | (810,621) | (792,360) | (894,348) | (500,258) |

The first known building code, or rules for construction, where enacted in Babylon in 1792 BC. They consisted of six rules found in sections 228-233 of "Hammurabi's Code of Laws". Modern day building codes now consist of multiple volumes of provisions.

Community Development Division

2011-2012 Goals, Strategies, Values, Activities, and Performance Measures

The City of Sherwood Community Development Department provides quality current and long range planning, building and engineering services to support the infrastructure, livability, well-being and economic development of the community.

Value: *The City of Sherwood Values and Promotes Fiscal Responsibility*

Strategies:

Ensure that staff is efficient and effective in providing highest high level of customer service and development review.

Activities:

- Track time spent on activities including customer service

Performance Measures

- Timecards are completely filled out and reviewed by manager

Value: *The City of Sherwood Values and Promotes Quality Services*

Strategies:

Provide excellent customer services for citizen, developers and customers at City Hall

Activities:

- Assist customers with applicable forms and applications
- Provide prompt response to phone calls, e-mails and in-person inquiries
- Attend trainings as necessary and appropriate to ensure continued knowledge in the field
- Provide over the counter assistance whenever possible
- Process applications in a timely manner
- Refine public involvement process to be more clear and inclusive

Performance Measure

- 100% of all Type III and IV applications have first public hearing within 6-8 weeks
- 100% of all Type II applications have decision issued within 8 weeks
- 100% of all Type 1 permits processed within 2 weeks
- Track and resolve all issues in a database format.

Provide efficient processes for developers.

Activities:

- Prepare forms, applications and instructions as necessary
- Maintain and provide current City Codes and Standards in a user friendly format
- Assure compliance with adopted current Statewide and Regional codes and Standards

Community Development Division

Performance Measure

- Keep stock of forms and applications available in the lobby at all times.
- Adopt current Statewide and Regional codes when required

Goal: Public Safety: “The City of Sherwood will provide for the safety and security of the community and its citizens.”

Strategies:

Require projects to follow up to date Codes and Standards to ensure public safety

Activities:

- Maintain and provide current City Codes and Standards
- Assure compliance with adopted current City, Statewide and Regional Codes and Standards through land use and plan review and inspection.
- Design projects to comply with all Codes, Standards and Applicable Permits

Performance Measure

- Stock forms and applications in the lobby at all times.
- Adopt current Statewide and Regional codes when required

Respond to inquiries and requests from public for traffic control changes.

Activities:

- Respond to initial inquiries and requests in a timely fashion and document citizens’ concerns and request.
- Review and research citizen inquiries and requests using current standards, practices, and policies.
- Inform citizens of outcome of reviews in a timely fashion.

Performance Measure

- Respond to all inquiries with the Public Works and Public Safety Divisions
- Track all requests with issues database

Goal: Infrastructure: “The City of Sherwood will provide and maintain infrastructure for its citizens to live, work and play.”

Strategies:

Develop Capital Improvement Programs to ensure infrastructure is available for citizens and development

Activities:

- Prepare Capital Improvement Plans
- Prepare and Update Master plans
- Provide recommendations for financial plans to ensure funds are available to create and maintain infrastructure

Community Development Division

Performance Measure

- Include Capital improvement plan items in current budget
- Update all Master plans according to schedule outlined in plan or earlier as necessary.
- Update methodologies for system development charges and fees.
-

Design and Construct Capital Projects in a timely manner to allow orderly development

Activities:

- Adams Avenue South
- Adams Avenue North
- Oregon Street Railroad Crossing Improvement
- Area 54/55 Upper Ladd Hill Regional Stormwater Facility
- Columbia Street Regional Stormwater Facility
- Brookman Area Sanitary Sewer Conveyance System Extension Phase 1 and Phase 2
- Pine Street Phase 2 Construction
- Street Maintenance Projects
- Rock Creek Trunk Mainline Capacity Upgrade

Goal: Livability: “The City of Sherwood will provide opportunity for responsible community development and growth.”

Strategies:

Develop and implement plans for undeveloped areas in the Urban Growth Boundary for implementation and for areas of potential re-development

Activities:

- Annexation of Area 54/55 Brookman
- Annexation of Area 48 Industrial Area
- Town Center Plan
- 99W corridor plan

Performance Measure

- Successfully annex areas into the City of Sherwood
- Develop plans for adoption by Council (this will likely extend beyond FY 11-12)

Work with Regional Partners to develop consistent plans that will benefit Sherwood and the surrounding communities

Activities:

- Urban Growth report and potential UGB expansion
- SW Corridor Planning
- Comprehensive Plan Periodic Review
- TSP update

Performance Measure

- Adopt measures that will implement regional decisions into City Codes and Plans.

Community Development Division

Review existing development code to ensure development continues to reflect community values

Activities:

- Review sign code (wall signs, temporary signs)
- Review park and open space requirements
- Tree Code (removal and mitigation) updates
- Public improvements
- Residential land division
- Parking lot design and landscaping standards
- Capacity Allocation Program
- Density clarification for PUD, multi-family and mixed use
- PUD process and standards
- Comprehensive housekeeping code update

Performance Measure

- Hold meetings with Planning Commission Council and Public.
- Adopt ordinances that address issues as approved by Council.

Goal: Resident Well Being: “The City of Sherwood will facilitate the provision of services to encourage a balanced quality of life for its citizens”

Strategies:

Work with Regional Partners to provide amenities consistent with the Transportation and Park Master Plans

Activities:

- Participate with partners on the Toquin Trail Master Plan
- Apply for applicable funds for street, bike and pedestrian facilities
- Cedar Creek Trail
- Stella Olsen Park Restroom Facilities

Performance Measure

- These projects will span multiple years. Make consistent progress.

Goal: Economic Development: “The City of Sherwood will promote responsible economic development which benefits the community.”

Strategies:

Provide Infrastructure for City owned lands to stimulate economic development

Activities:

- Cannery Public Infrastructure
- Tannery Site Acquisition and Development

Planning

The Planning Department is responsible for guiding, updating, and implementing the Comprehensive Plan, the long-range planning tool of the community, which envisions the design and function of Sherwood’s built and natural environments. The essential duties of the Department are current planning, such as development review, permitting, and enforcement of the City’s zoning code; long range planning that entails updates to the Comprehensive Plan and master planning; and special projects developed by the City Manager’s Office and the Planning Commission, such as policy evaluation and site analysis. This year’s budget reflects the continuation of the above technical services along with specific projects.

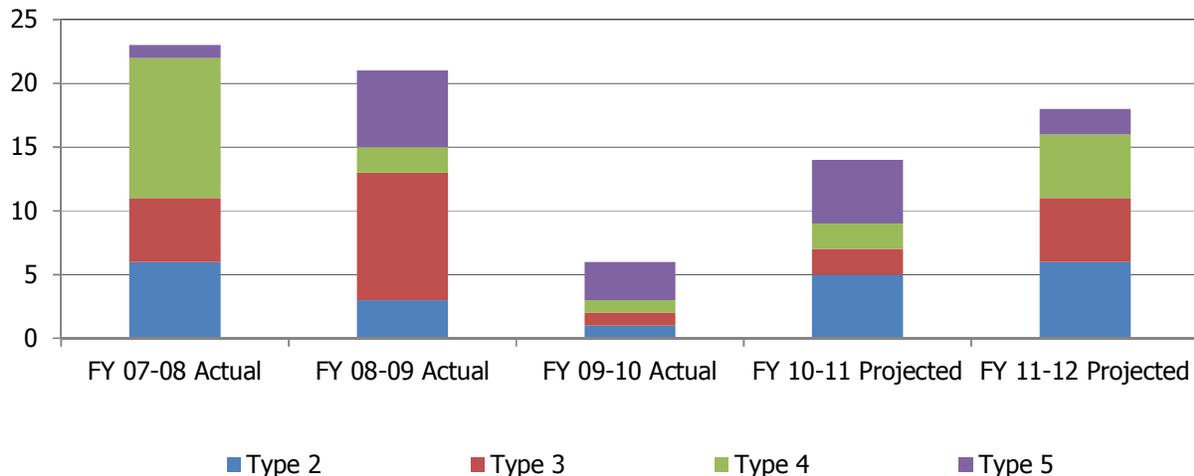
2010-11 Accomplishments

- Annexation of Adams Avenue north concept plan area
- Development and adoption of Tonquin Employment Area Concept Plan
- Continued to process the majority of land use applications within 6-8 weeks
- Continued participation on the Tonquin Trail Master Plan in coordination with Metro, Wilsonville, Tualatin, Clackamas County and Washington County.
- Continued coordination and participation with regional partners on issues of regional and local importance.
- Started multi-phase code clean-up project and completed amendments to: increase public notice; require neighborhood meetings; streamline the application submittal process; and complete basic housekeeping amendments.
- Amended the development code to extend the land use approval timeframes due to the economic downturn

Land Use Applications Processed

Type 2 applications are staff level decisions. Generally these are more straight forward and smaller in size. Type 3 applications require a public hearing and decision by a Hearings Officer. Type 4 applications require a public hearing and decision by the Planning Commission. Type 5 applications require a legislative decision made by the City Council after a public hearing and recommendation from the Planning Commission and a public hearing at the Council level as well.

Land Use Applications Processed



Building

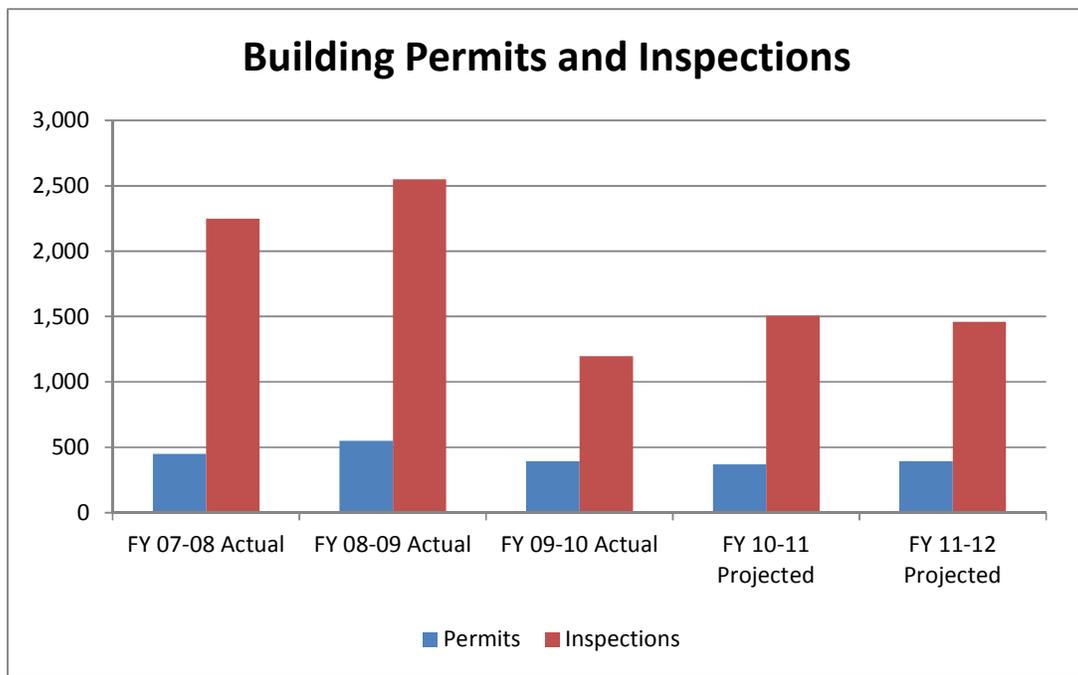
The Building Department’s responsibilities are to review and approve plans, issue permits, and perform inspections for new construction in compliance with the State of Oregon’s building, mechanical, and plumbing codes. The Department assists the public with information relevant to the City’s building and development codes, works with local jurisdictions and builders in order to improve the construction standards in the city, and provide efficient service and information to the construction industry and the public.

2010-11 Accomplishments

- As a team we completed all required plan reviews/inspections and issued final approvals for new additions/remodels to Sherwood High School, Sherwood Middle School, and Hopkins Elementary School.
- Completed required plan review/inspections and issued occupancy approvals for 11 new single family dwellings (through January 2011).
- Completed required plan review/inspections for the new St. Francis library and gymnasium addition.
- We have continued to provide excellent, knowledgeable customer service to people planning any type of construction in Sherwood.
- We have continued to educate the public concerning permit requirements and the benefits permits provide in protecting their property and their safety.
- As a group submitted several articles to local publications with helpful information regarding when and why permits are needed.

FTE per year to process permits and inspections

| FY 07-08 Actual | FY 08-09 Actual | FY 09-10 Actual | FY 10-11 Projected | FY 11-12 Projected |
|-----------------|-----------------|-----------------|--------------------|--------------------|
| 4 | 3.5 | 3.5 | 2.75 | 2.25 |

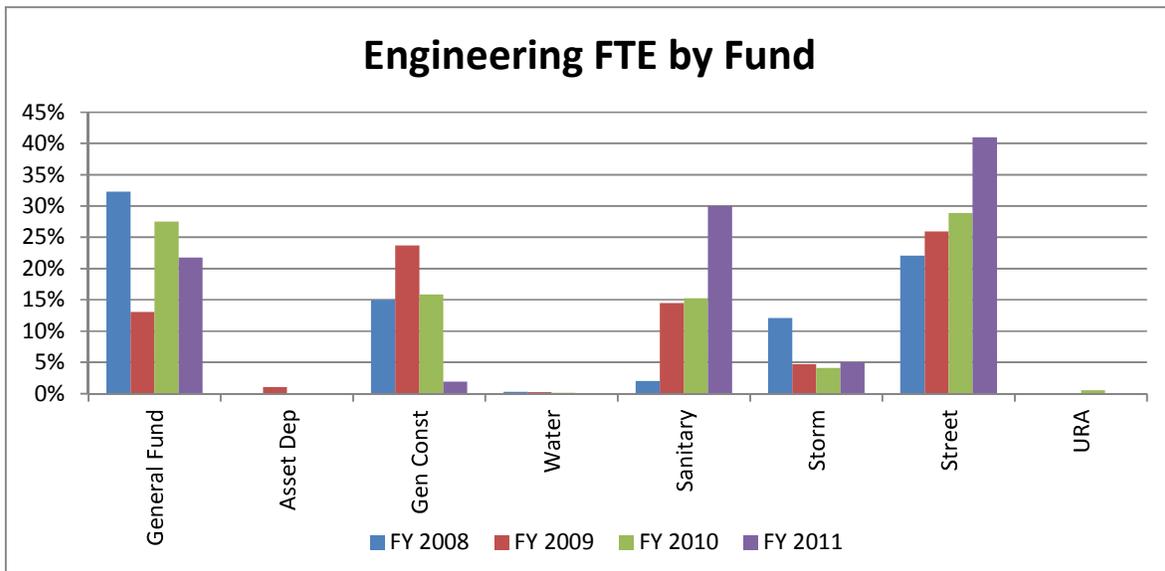


Engineering

The Engineering Department plans, designs, and oversees construction of the City’s Capital Improvement Projects (CIP’s), which include streets, storm water systems, sanitary sewer systems, water systems, and park facilities. The Department is also responsible for review and approval of all private development projects that include installation of public infrastructure as part of the development. The Department conducts inspection on the construction of public infrastructure projects to ensure that these facilities meet the City’s standards for materials and installation. The Department issues right-of-way permits for all work performed within the public right-of-way, and oversee erosion and sediment runoff control on any construction activity within the City.

2010-11 Accomplishments

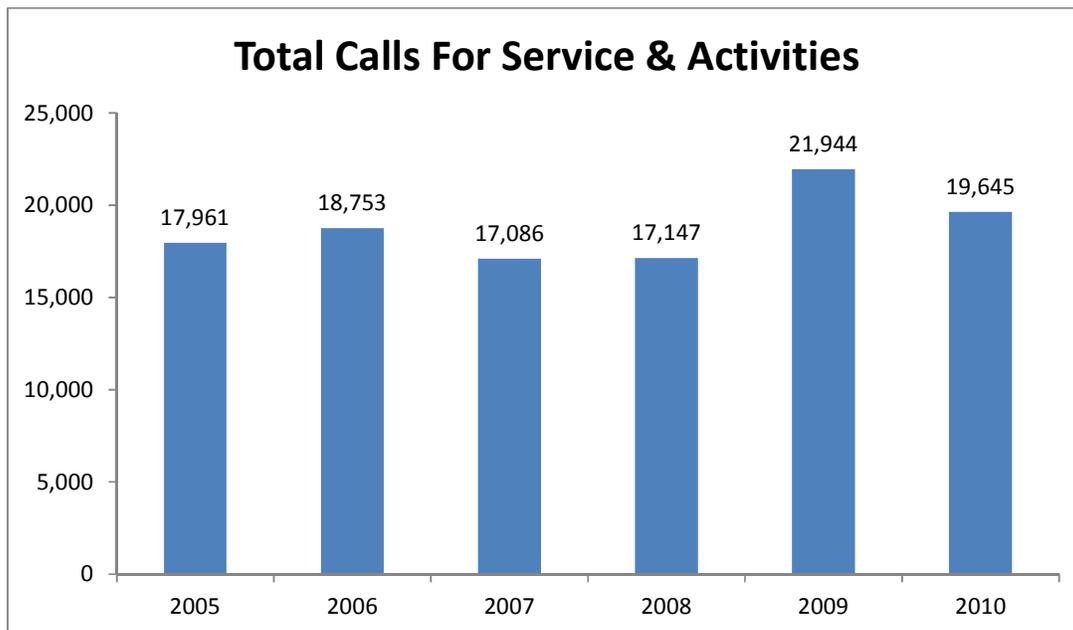
- Completed in-house design and construction management of the Brookman Area Sanitary Sewer Downstream Upgrade project on time and under budget.
- Began in-house design of the Brookman Area Phase 1 Sanitary Sewer Extension project which will serve the Brookman expansion area to the south of the City.
- Obtained approval from PUC for negotiating a right-of-way dedication from PGE for the North Adams Avenue project.
- Completed design management and construction of the Sherwood Senior Center Parking Lot.
- Completed in-house design and construction of the Washington Street storm drainage and street pavement rehabilitation project on time and within budget.
- Completed construction of the SW Sherwood Boulevard paving overlay project funded through the American Recovery and Reinvestment Act of 2009 (ARRA), between 1st and Langer Drive.
- Completed design and entered into construction of the South Adams Avenue street project. This project includes the Oregon Street railroad crossing rehabilitation project work.
- Provided technical design review and comment for the City on the Sherwood Cannery site development project, and the Cannery Plaza project.
- Responded to several citizen requests for no parking signage installations. Performed technical analysis and installed signage as appropriate.
- Completed in-house design and managed construction bidding process for several Public Works street maintenance paving projects.
- Coordinate development of the 5-year CIP Master Plan document.
- Provided review and approval for several private development projects within the City.



Public Safety Division

The Division of Public Safety coordinates all public safety services for the Sherwood Community. Public Safety includes all law enforcement and emergency operations services delivered through the Police Department. The Public Safety Division’s focus is to work with our statewide, regional and community partners on developing a coordinated and integrated approach that allows for the most efficient delivery of public safety services.

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Adopted |
|-----------------------------------|--------------------|--------------------|--------------------|----------------------|--------------------|
| Revenue | | | | | |
| Licenses and Permits | 11,625 | 11,900 | 10,400 | 10,400 | 10,000 |
| Intergovernmental | 16,961 | 61,951 | 190,600 | 91,815 | 209,982 |
| Charges for Services | 3,218 | 3,394 | 3,000 | 5,500 | 4,000 |
| Other Revenue | 39,365 | 6,131 | 26,500 | 24,800 | 27,500 |
| Total revenue | 71,168 | 83,376 | 230,500 | 132,515 | 251,482 |
| Expenditures | | | | | |
| Personal services | 2,388,532 | 2,456,338 | 2,641,967 | 2,611,787 | 2,872,976 |
| Materials and services | 1,420,627 | 1,239,781 | 1,615,439 | 1,515,760 | 480,532 |
| Capital outlay | 31,899 | 45,474 | 194,400 | 95,000 | 177,482 |
| Total expenditures | 3,841,057 | 3,741,593 | 4,451,806 | 4,222,547 | 3,530,990 |
| Net revenue (expenditures) | (3,769,889) | (3,658,217) | (4,221,306) | (4,090,032) | (3,279,508) |



Public Safety Division**Vision**

The men and women of the Sherwood Police Department are committed to becoming a highly respected police agency that will exemplify the pinnacle of law enforcement. We will strive to be technically superior and constantly evolving. We will become an agency of destination for professional law enforcement officers. We will remain flexible while keeping ahead of growth and we will establish ourselves as pacesetters in the law enforcement community.

Mission

“The City of Sherwood Police Department is dedicated to providing a safe and secure environment and preserving the quality of life for its citizens and community.”

We accomplish the above mission by establishing and maintaining effective law enforcement services for the City through a focused application of Community Policing.

The police department is comprised of three (3) organizational sections;

- The Administration Section is managed by the Chief of Police and provides overall leadership, direction and guidance for the police department. This includes policy development, budget development and accountability, community and city involvement, regional involvement, labor relations, Chaplaincy and Emergency Management. The Administrative Section includes the Chief of Police, two (2) Police Captains, Emergency Management Coordinator and administrative staff.
- The Patrol Section is managed by a Police Captain and provides leadership, direction and supervision of the daily operations of the police department. These operations include patrol services, traffic enforcement services, tactical response and preparation, community activities and events, police canines and police reserves.
- The Support Section is managed by a Police Captain and provides leadership, direction and supervision of the support functions of the police department. These functions include special investigation services, juvenile services, property and evidence, training, records and information systems, professional standards, public information, human resource and hiring liaison, risk management and mitigation and code compliance.

Values

The City of Sherwood Police Department Values and Promotes:

Integrity - Upright in action and resolute in conviction.

Professionalism - Character, competence, proficiency and training.

Accountability - Responsible, self-disciplined and transparent.

Reliability - Vigilant, responsive and steadfast.

Courage - Strength in the face of danger or uncertainty.

Compassion - Understanding, human and kind.

Public Safety Division**2010-11 Accomplishments**

- Created increased operational efficiency through the reallocation of department staffing
- Implemented an Information Technology application for all critical internal systems
- Maintained supervisory coverage and availability 100% of the time
- Responded to 100% of all traffic complaints
- Participated in 100% of community events
- Completed quarterly emergency operations exercises

2011-12 Goals, Values, Strategies and Activities

The City of Sherwood Police Department supports the **Public Safety** and **Resident Well Being** Goals established by City leaders.

Goal: *The City of Sherwood will provide for the safety and security of the community and its citizens*

Strategies:

Provide effective department leadership and critical systems oversight.

Activities:

- Provide effective leadership and direction from all levels of supervision, including Sergeants, Captains and the Police Chief
- Further implement and improve critical internal systems
- Further develop and improve opportunities for public information and participation

Performance Measures:

- Leadership Team will allocate specific time for subordinate employee interaction and development as follows; Chief 15%, Captains 25%, Sergeants 50%
- Provide short-term leadership opportunities & experience to future leaders
- Distribute a minimum of 24 information releases regarding police activity

Provide for responsive and preventative patrol services and community response.

Activities:

- Recruit, Hire and retain competent police officers
- Deploy adequate staffing levels of 3 FTE 24 hours a day
- Further develop and implement crime prevention programs
- Implement a Municipal Court Diversion program for appropriate offenders

Performance Measures:

- Reach an FTE staffing ratio of 1.7 per thousand
- Further implement and expand the Community Watch program.
- Develop a Community Academy

Public Safety Division

Provide for effective and responsive traffic safety.

Activities:

- Maintain effective traffic safety staffing
- Implement child safety initiatives
- Provide traffic crash response and investigation

Performance Measures:

- Respond to 100% of traffic safety complaints
- Conduct a minimum of two (4) child safety seat inspection clinics

Provide for effective and responsive support services.

Activities:

- Maintain a specialized investigative unit and capabilities
- Establish and staff an effective School based policing program with SRO
- Maintain and improve internal in-service training and instructor development

Performance Measures:

- Allocate 50% of one (1) Detective to local and regional drug investigations
- Provide 60 hours of annual in-service training
- Provide one full time FTE at Sherwood High School

Maintain a well-trained city staff that is able to respond in an effective, comprehensive and community based approach to emergency management and preparedness.

Activities:

- Facilitate ongoing NIMS compliant training for all city staff
- Facilitate advanced training for EOC General Staff

Performance Measures:

- Conduct a minimum of two (2) basic level ICS training classes
- Facilitate advanced training for General Staff

Goal: *The City of Sherwood will facilitate the provision of services to encourage a balanced quality of life for its citizens.*

Strategies:

Respond to life safety concerns.

Activities:

- Provide community caretaking services
- Respond to medical calls
- Facilitate emergency social services

Public Safety Division

Performance Measures:

- Maintain relevant certifications and response capabilities to issues of life safety and community caretaking
- Maintain partnerships with local vendors for emergency social services

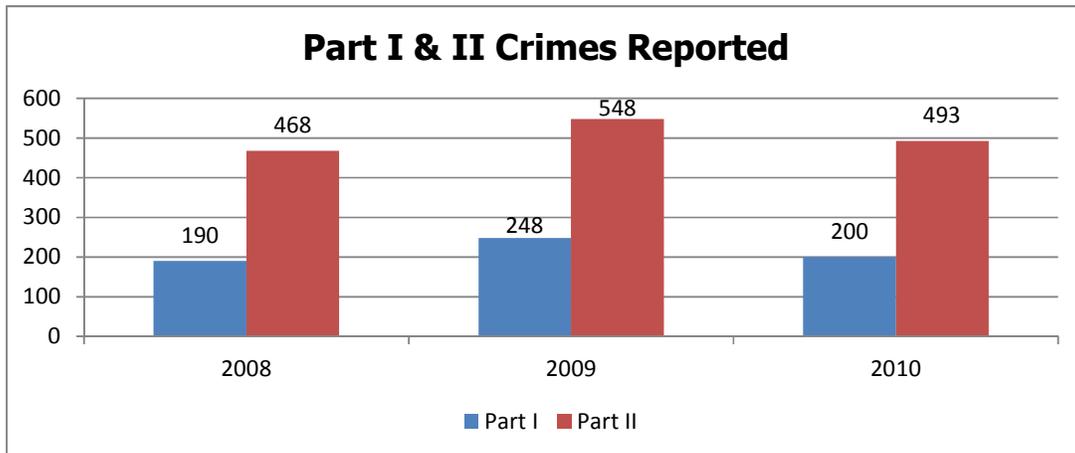
Engage and partner with community groups and activities.

Activities:

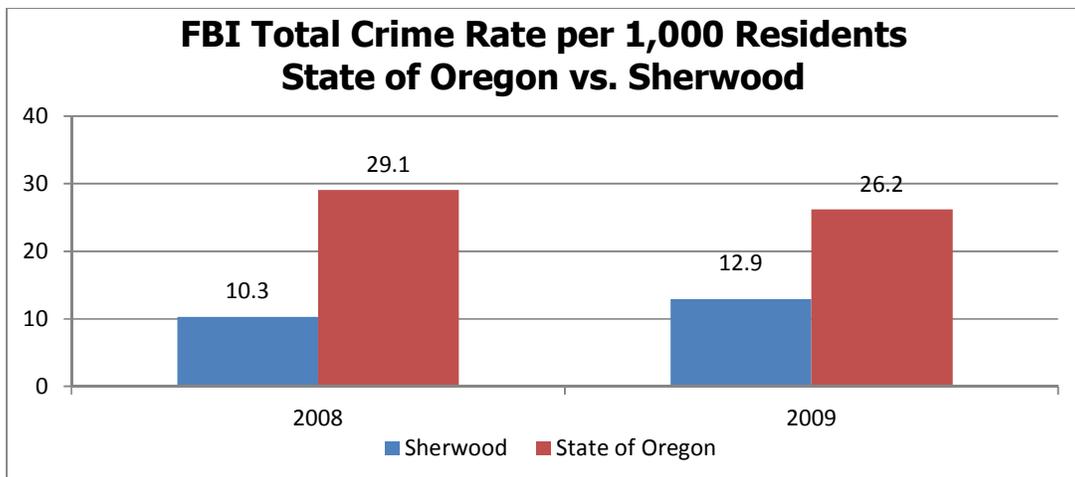
- Provide leadership in the planning and coordination of community events
- Participate in civic organizations
- Maintain support for Oregon Special Olympics

Performance Measures:

- Develop Incident Action Plans for all community events that exceed 10 hours or 1,000 attendees



Part 1 Crimes are primarily felonies that endanger people. Part 2 Crimes are primarily misdemeanors or offenses that pose less threat of immediate harm.



Community Services Division

The Community Services Department encompasses Library services, the Sherwood Old Town Field House operations, volunteer services, field and gym scheduling, and the coordinating and planning of various cultural activities and events. As part of the Washington County Cooperative Library Services (WCCLS), the Sherwood Library provides access to resources from all 12 County libraries as well as regional, national, and international sources. The Sherwood Old Town Field House is an indoor soccer facility that offers soccer leagues, facility rentals and field time for a variety of sports and activities.

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Adopted |
|-----------------------------------|-------------------|-------------------|-------------------|----------------------|--------------------|
| Revenue | | | | | |
| Intergovernmental | 663,427 | 683,162 | 711,349 | 688,951 | 702,586 |
| Charges for Services | 210,022 | 219,466 | 182,685 | 195,873 | 210,179 |
| Other Revenue | 34,384 | 38,134 | 33,000 | 36,000 | 33,000 |
| Total revenue | 907,833 | 940,762 | 927,034 | 920,824 | 945,765 |
| Expenditures | | | | | |
| Personal services | 800,555 | 878,387 | 920,216 | 870,851 | 959,502 |
| Materials and services | 590,885 | 538,444 | 707,168 | 629,115 | 234,786 |
| Debt service | 6,250 | 25,002 | 25,002 | 25,002 | 31,175 |
| Total expenditures | 1,397,691 | 1,441,832 | 1,652,385 | 1,524,968 | 1,225,463 |
| Net revenue (expenditures) | (489,858) | (501,071) | (725,351) | (604,144) | (279,698) |

From May – December 2010, 28 Special Event Permits were processed. The type of community events included:

- 6 Runs/Walks
- 5 Festivals
- 5 Block Parties
- 2 Theater Performances
- 2 Bike Rides
- 2 Car Shows
- 2 Parades (not included in festivals)
- 1 Farmer’s Market, Street Sale, Wedding, Concert Series and Movie Series

Library

The Sherwood Library strives to meet the community's informational, educational, cultural and recreational needs through appropriate and useful resources and programs and equitable service policies and access. The Library makes every effort to operate in the most effective and efficient manner possible and continuously seeks to improve and expand services which promote the use of the library, encourage an informed citizenry, and respond to community needs. As a member of Washington County Cooperative Library Services, the Sherwood Library provides access to materials from all WCCLS member libraries as well as regional, national, and international sources.

2010-11 Accomplishments

- Washington County Cooperative Library Services levy approved – offering renewed funding from the County through June 2016
- Over 8% increase in circulation of material
- Continued significant trend in patrons registered (over 1400 new patrons during 2010)
- Volunteer program allows staff greater opportunity to develop and offer additional programs and services (17 library programs in 2010, up from two in 2008) with the library receiving over 1480 volunteer hours (equivalent to 0.71 FTE)
- Collection size has increased to exceed the recommended Oregon Library Association "adequate" number of volumes per capita
- Over 13,000 community members attended seven weekly story times, the annual Summer Reading Program and other programs in 2010
- Quality services provided by an experienced and dedicated staff
- Supportive and engaged advocates in the Library Advisory Board and Friends of the Library
- Library received several grants including Ready to Read, Oregon Humanities (both for Conversation Project and Oregon Poet Laureate) and Cultural Coalition of Washington County grant for Oregon Symphony Story times.

2011-2012 Goals, Strategies, Values, Activities, and Performance Measures

Goal: *Resident Well Being: The City of Sherwood will facilitate the provision of services to encourage a balanced quality of life for its citizens.*

Strategies:

Provide quality Library Services

Activities:

- Provide a diverse collection of materials and resources
- Increase circulation, add new patron card holders and strengthen collection size
- Develop a stable funding strategy for Library Services
- Maximize use of volunteers in the Library
- Offer new and innovative programming opportunities such as Oregon Symphony Storytimes

Performance Measures:

- Provide 60 hours of library service a week
- Utilize 1500 hours of volunteer time
- Serve 1350 local children through the Summer Reading Program

Library

Provide excellent customer service

Activities:

- Maintain a knowledgeable and trained staff
- Assist customers with information and referrals
- Provide 60 hours of Library services each week

Performance Measures:

- Provide regular training opportunities for staff
- Respond to virtual queries within 24 hours

Provide an opportunity for citizens to partake in cultural and community events and activities

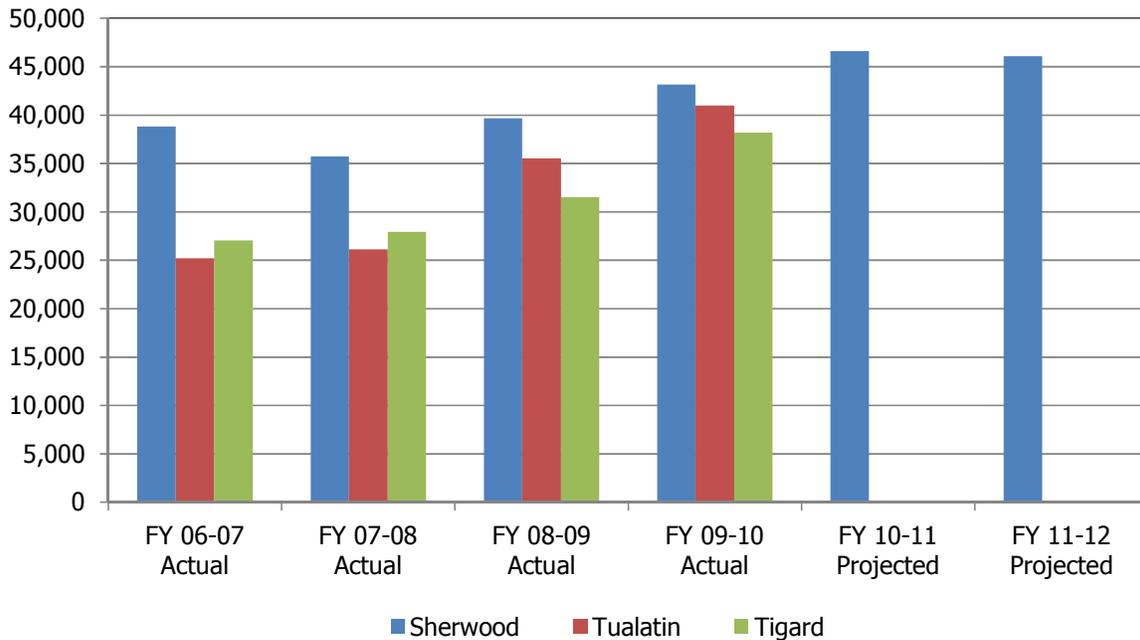
Activities:

- Partner with the local groups such as the Friends of the Sherwood Library to provide opportunities and events

Performance Measures:

- Provide six programs annually through local partnerships

Library Circulation per FTE



Field House

The Sherwood Old Town Field House opened in 2004 and offers a large indoor arena featuring state-of-the-art "AstroPlay" turf. The City of Sherwood built the Field House to help serve the recreation needs of its community. The Field House hosts a wide array of activities including include soccer, football, softball, and lacrosse. The Field House is also available for private rentals, birthday parties, pre-school play, dances, company picnics, and sports clinics.

2010-11 Accomplishments

- Served 28,000 people.
- Maintained steady revenue stream in spite of a weak economy.
- Partnered with Honoring Game to Offer Lacrosse leagues.
- Offered 3 mornings each week of preschool play during the school year
- Rented the facility for home school P.E. during non-peak hours

2011-2012 Goals, Strategies, Values, Activities, and Performance Measures

Goal: *Resident Well Being: The City of Sherwood will facilitate the provision of services to encourage a balanced quality of life for its citizens.*

Strategies:

Provide quality recreation opportunities for the citizen of Sherwood

Activities:

- Operate the Old Town Field House
- Offer league play for youth and adults
- Rent the facility to groups for private rentals and birthday parties

Performance Measures:

- Serve 28,000 people
- Increase Youth leagues 10%

Provide excellent customer service to those that visit the Field House

Activities:

- Maintain a knowledgeable and trained staff
- Assist customers with information and referrals

Performance Measures:

- Respond to all customer service calls within 24 hours
- Provide 8 hours of training to full-time staff

The phrase most said on pre-school play days at the Fieldhouse is "mom, look at all the balls".

Recreation and Event Services

The Community Services Department is responsible for planning and implementing recreation and cultural activities, volunteer services, and coordinating events such as Music on the Green and acting as a liaison to the YMCA, the Senior Center and other community groups.

2010-11 Accomplishments

- Added lighting under stage cover at Stella Olsen Park amphitheater
- Completed Senior Center parking lot and interior improvements
- Coordinated practice and game space for 11 different sport leagues (over 300 teams)
- Volunteers contributed a total of 3,471 hours of service
- Collected over \$10,000 in sponsorships for Music on the Green
- Secured presenting sponsor for Movies in the Park
- Managed, developed, implement city-wide special events including Music on the Green, the Community Services Fair, Missoula Children's Theatre and Movies in the Park
- Volunteers spent 300 hours removing invasive species and planting trees for Arbor Day
- Completed conceptual design for the Skate Park

2011-2012 Goals, Strategies, Values, Activities, and Performance Measures

Goal: *Resident Well Being: The City of Sherwood will facilitate the provision of services to encourage a balanced quality of life for its citizens.*

Strategies:

Provide an opportunity for citizens to partake in recreation, cultural and community events and activities

Activities:

- Coordinate the Music on the Green summer concert series
- Coordinate Movies in the Park
- Partner with the Sherwood Cultural Arts Commission, Sherwood Foundation for the Arts, Robin Hood Festival Association, Sherwood Historical Society to provide opportunities and events such as Missoula Children's Theatre and the Robin Hood Festival
- Schedule all the gyms and fields
- Offer opportunities for citizens to volunteer

Performance Measures:

- Provide 3,500 hours of volunteer work
- Raise \$10,000 in sponsorship for Music on the Green
- Add restrooms to Stella Olsen Park

GENERAL GOVERNMENT**COMMUNITY SERVICES****Grant Requests**

| Organization | 2010-11 Adopted | | 2011-12 Requested | | 2011-12 Adopted |
|---|------------------------|-----------------------------|--------------------------|----------------|------------------------|
| | Cash | In-Kind (Actual) | Cash | In-Kind | Cash |
| Robin Hood Festival | \$16,000 | \$11,878 | \$17,000 | \$12,000 | \$0 |
| Holiday Tree Lighting & Parade | | \$8,480 | | \$8,500 | |
| Cruisin | | \$9,863 | | \$10,863 | |
| Song Bird Festival | | \$2,072 | \$5,000 | \$2,100 | \$0 |
| Run for the Roses | | \$300 | | \$300 | |
| Sherwood Senior Citizens Inc. | \$8,000 | | \$1,000 | | \$0 |
| Loaves and Fishes | | | \$5,000 | | \$0 |
| Raindrops To Refuge | \$7,000 | | \$9,000 | | \$0 |
| Sherwood Foundation for the Arts | \$2,500 | \$2,500 | \$1,500 | \$3,000 | \$0 |
| Sherwood Historical Society | | \$35,000 | \$12,000 | | \$0 |
| Community Action | \$2,000 | | \$5,000 | | \$0 |
| Faith in Action | \$1,000 | | \$1,000 | | \$0 |
| Sherwood Charter School | | | \$940 | | \$0 |
| Sherwood Family Triathlon (YMCA/Charter School) | | | \$2,000 | | \$0 |
| TOTAL | \$36,500 | \$70,093 | \$59,440 | \$36,763 | \$0 |

Public Works

The Public Works Division is responsible for operation and maintenance activities of the City's infrastructure. Maintenance includes: water, sewer, storm, streets, parks, sport fields, facilities and fleet.

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|--------------------|
| Revenue | | | | | |
| Intergovernmental | 100,500 | 54,032 | 137,947 | 90,000 | 80,000 |
| Charges for Services | 4,705 | 10,198 | 3,555 | 38,666 | 3,555 |
| Other Revenue | 53,095 | 100,658 | 34,800 | 46,597 | 15,000 |
| Total revenue | 158,300 | 164,888 | 176,302 | 175,263 | 98,555 |
| Expenditures | | | | | |
| Personal services | 546,271 | 570,176 | 720,805 | 692,924 | 803,077 |
| Materials and services | 120,573 | 220,984 | 258,533 | 275,628 | 766,913 |
| Capital outlay | 34,148 | 15,447 | 178,000 | 178,000 | 192,000 |
| Debt service | 6,250 | 25,002 | 25,002 | 25,002 | 31,175 |
| Total expenditures | 707,242 | 831,608 | 1,182,341 | 1,171,554 | 1,793,165 |
| Net revenue (expenditures) | (548,942) | (666,720) | (1,006,039) | (996,291) | (1,694,610) |

A regular incandescent light bulb lasts 750 to 1,500 hours compared to a compact fluorescent light bulb that lasts about 10,000 hours.

Public Works Administration

The Administration Division is responsible to provide leadership and management in the support of the strategic plans, objectives, values and goals.

2010-11 Accomplishments

- Continue to provide rental offices to four tenants.
- Provided training to all Public Works employees for continued growth opportunities.
- Responded to all emergency after-hour calls.
- Track all work using work order system.
- Prepare and oversee implementation of each division budget.
- Continue to work with regional partners (solid waste, emergency management, debris removal, water, wastewater, storm, streets and fleet).
- Provided upgraded technology to allow each division to work more efficiently.
- Started updating of storm and sanitary maps in GIS System.
- Completed EDU/ESU Audit.
- Completed and negotiated several bid proposals for maintenance projects, equipment and consulting services.

2011-12 Goals, Values, Strategies, Activities, and Performance Measures

Goal: *"The City of Sherwood will provide and maintain infrastructure for its citizens to live, work and play."*

Strategies

Administrative: Provide leadership and management in support of city strategic plans, objectives, values and goals.

Activities

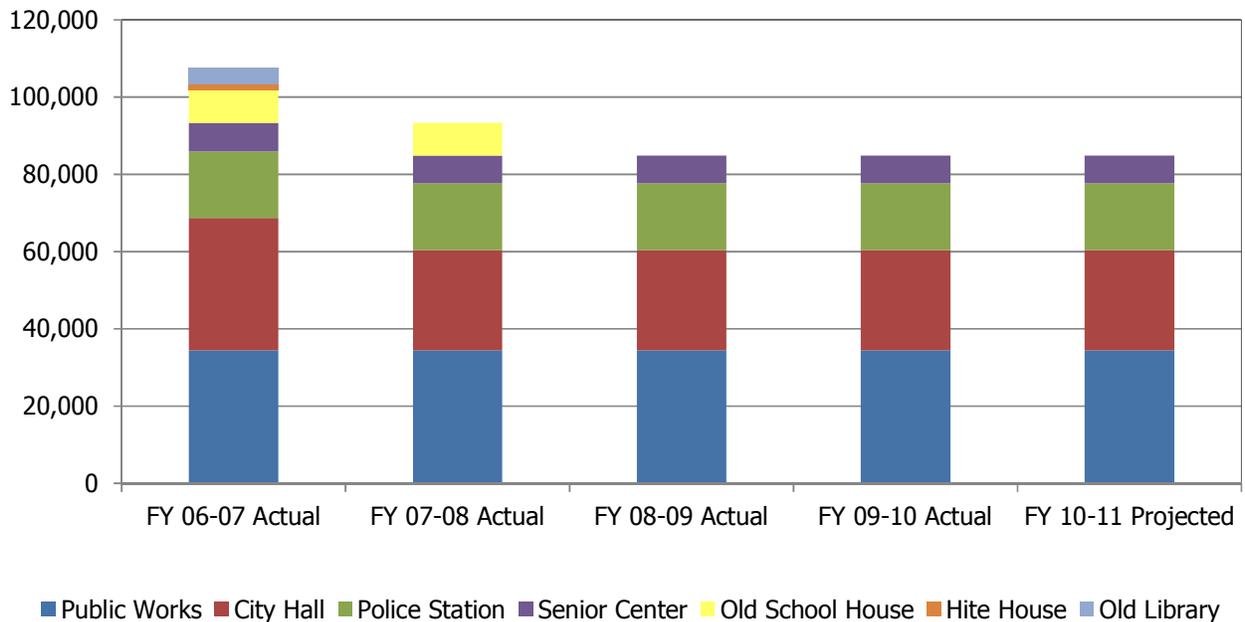
- Asset Management Accountability. Maintain accurate accounting records of all work activities and track labor, equipment and material expenditures for each activity or project as pertains to all assets.
- Provide staff support and resources to enable each division to meet goals.
- Prepare and oversee implementation of each division's budget.
- Support and oversee the city-wide geographic information system (GIS).
- Continue to improve the asset management work order system (HANSEN).
- Continue participation of city-wide emergency management training plan and participate at county level.
- Provide management and administrative support to the public works department for water distribution, wastewater collection, street maintenance, stormwater maintenance, parks, fleet/facility maintenance.
- Continue to work at state and regional levels for Public Works related partnerships.
- Provide emergency on-call assistance for public works.
- Provide educational outreach for our citizens of Sherwood on water conservation and other programs (leaf program, recycling, paving program) or concerns to the city relative to public works.

Public Works Administration

Performance Measures

- Will maintain rental offices at Sherwood Office Complex.
- Public Works will continue to train staff to NIMS compliance and will meet with regional partners to plan for emergency events.
- Will respond to all emergency after-hour calls.
- Will track all work for accountability through asset management system (work orders).
- Will complete and stay within the approved budget.
- Negotiate with regional partners.
- Will continue to provide accurate data to citizens, regional partners and all city staff.
- Will continue to look for regional water partnerships.
- Provided City wide GIS support.

Square Footage of Buildings Maintained by Public Works



Fleet and Facilities

The Fleet and Facilities Division is responsible for the environmental health, safety, operation maintenance and repair of all city facilities, vehicles and equipment.

2010-11 Accomplishments

- Completed annual requirements for reporting to State.
- Completed weekly building inspections.
- Renegotiated janitorial contract (savings of \$7,000.00) and negotiated other contractual work.
- Completed set up and take down for Kids Reading, City Council, Planning Commission and Court 258 times last year.
- Completed maintenance and repairs on 643 vehicles and/or equipment.
- Purchased 100% of budgeted equipment.

2011-12 Goals, Values, Strategies, Activities, and Performance Measures

Goal: *“The City of Sherwood will provide and maintain infrastructure for its citizens to live, work and play.”*

Strategies

Fleet and Facilities: The Fleet Division is responsible for maintenance and repair of city vehicles and equipment with an emphasis on safety, cost effectiveness and dependability. The Facilities Division will provide clean, safe, well-maintained environmentally-efficient city facilities for employees and the public.

Activities

- Ensure city-owned facilities are maintained in accordance to city, state and federal regulations.
- Fleet (equipment, vehicles) is replaced when it is determined by its age, condition, operations and maintenance cost, and depreciation, which is no longer economical to keep. This is referred to the life expectancy of the equipment.
- Maintain vehicles and equipment to support city-wide departments.
- Purchase vehicles and equipment.

Performance Measures

- Annual reporting to State for boiler system, elevators, etc.
- Will inspect city buildings weekly and will perform maintenance as needed.
- Will inspect contractual work.
- Will complete over 200 meeting set up and take downs during the year.
- Complete maintenance and repairs on all city vehicles and equipment.
- Complete purchase all equipment and vehicles per approved budget.

Parks

The Parks Division maintains the parks, trail systems and athletic fields for the City.

2010-11 Accomplishments

- Completed weekly playground inspections.
- Completed trash pickup four times a week during peak usage.
- Maintained 7,280 irrigation heads this past year.
- Completed striping of athletic fields for schools and leagues.
- Completed 132 park reservations this past year.
- Replaced 345 sq. yds. of asphalt on city trail system.
- Provided 7-day/week staffing coverage during peak season.
- Completed weekly mowing for parks and athletic fields for 40 weeks out of the year.

2011-12 Goals, Values, Strategies, Activities, and Performance Measures

Goal: *“The City of Sherwood will provide and maintain infrastructure for its citizens to live, work and play.”*

Strategies

Maintain the parks, trail systems and athletic fields for the citizens of Sherwood and other visitors.

Activities

- Maintain all city park areas and facilities in a safe, clean, attractive and affordable manner by using responsible and efficient procedures.
- Work with independent contractors to ensure contract agreements are followed and that work progresses smoothly.
- Managing the City’s irrigation system through a computerized software program (Calsense), which maximizes water efficiency.
- Maintain and repair artificial turf.
- Provide park reservations.
- Maintain trail systems.

Performance Measures

- Will provide weekly playground inspections at all city playground locations.
- Will provide trash pick-up a minimum of 3 times per week during peak season.
- Will maintain all city irrigation heads.
- Will establish and maintain scheduled maintenance for all turf fields.
- Will maintain all park shelters and will issue park reservations.
- Will provide inspections of HOA and City trails; will maintain city-trails up to six (6) times per year.
- Will provide 7-day per week coverage during peak season.
- Will provide weekly mowing for 40 weeks of the year and will apply fertilizer a minimum of 6 times per year.

Asset Depreciation Fund

The Asset Depreciation Fund is a reserve fund, defined in Oregon budget law, which accumulates money from year to year to provide for the unexpected purchase, improvement, or repairs of major capital assets, such as city buildings.

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 293,942 | \$ 353,625 | \$ 442,629 | \$ 405,998 | \$ 217,998 | \$ 217,998 | \$ 217,998 |
| Revenue | | | | | | | |
| Charges for services | - | 27,549 | - | - | - | - | - |
| Fines, interest and other | 5,470 | (55,180) | - | 2,000 | - | - | - |
| Total revenue | 5,470 | (27,631) | - | 2,000 | - | - | - |
| Other sources | | | | | | | |
| Transfers in | 74,000 | 130,004 | 114,000 | 114,000 | - | - | - |
| Total other sources | 74,000 | 130,004 | 114,000 | 114,000 | - | - | - |
| Total sources | 373,412 | 455,998 | 556,629 | 521,998 | 217,998 | 217,998 | 217,998 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Total personal services | - | - | - | - | - | - | - |
| Materials and services | | | | | | | |
| Other materials & services | - | - | 100,000 | 50,000 | - | - | - |
| Total materials & services | - | - | 100,000 | 50,000 | - | - | - |
| Capital outlay | | | | | | | |
| Infrastructure | - | 50,000 | - | - | - | - | - |
| Vehicles | - | - | 254,000 | 254,000 | - | - | - |
| Total capital outlay | - | 50,000 | 254,000 | 254,000 | - | - | - |
| Debt service | | | | | | | |
| Total debt service | - | - | - | - | - | - | - |
| Total expenditures | - | 50,000 | 354,000 | 304,000 | - | - | - |
| Other uses | | | | | | | |
| Transfers out | 19,786 | - | - | - | 217,998 | 217,998 | 217,998 |
| Ending Fund Balance | 353,625 | 405,998 | - | - | - | - | - |
| Contingency | | | 202,629 | 217,998 | 0 | 0 | 0 |
| Total uses | 373,412 | 455,998 | 556,629 | 521,998 | 217,998 | 217,998 | 217,998 |

The average police patrol car has an oil change every 6 weeks which averages about 3,000 miles.

Debt Service

The Debt Service fund accounts for property tax revenues levied for payment of general obligation bonds. Payment of long-term debt other than general obligation bonds is accounted for in the funds responsible for paying the debt.

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$142,389 | \$ 27,999 | \$ 10,999 | \$ 9,532 | \$ 1,532 | \$ 1,532 | \$ 1,532 |
| Revenue | | | | | | | |
| Taxes | 818,113 | 916,779 | 913,276 | 913,276 | 926,000 | 888,000 | 888,000 |
| Fines, interest and other | 5,998 | 824 | - | - | - | - | - |
| Total revenue | 824,111 | 917,603 | 913,276 | 913,276 | 926,000 | 888,000 | 888,000 |
| Other sources | | | | | | | |
| Total sources | 966,500 | 945,602 | 924,275 | 922,808 | 927,532 | 889,532 | 889,532 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Total personal services | - | - | - | - | - | - | - |
| Materials and services | | | | | | | |
| Total materials & services | - | - | - | - | - | - | - |
| Capital outlay | | | | | | | |
| Total capital outlay | - | - | - | - | - | - | - |
| Debt service | | | | | | | |
| Principal | 655,000 | 670,000 | 675,000 | 675,000 | 695,000 | 705,000 | 705,000 |
| Interest | 283,501 | 266,070 | 246,276 | 246,276 | 230,390 | 182,897 | 182,897 |
| Total debt service | 938,501 | 936,070 | 921,276 | 921,276 | 925,390 | 887,897 | 887,897 |
| Total expenditures | 938,501 | 936,070 | 921,276 | 921,276 | 925,390 | 887,897 | 887,897 |
| Other uses | | | | | | | |
| Ending Fund Balance | 27,999 | 9,532 | - | - | - | - | - |
| Contingency | | | 2,999 | 1,532 | 2,142 | 1,635 | 1,635 |
| Total uses | 966,500 | 945,602 | 924,275 | 922,808 | 927,532 | 889,532 | 889,532 |

The average daily water demand for Sherwood is approximately 2.2 million gallons.

Street Operations

The Street Department is responsible for the repair and maintenance of 50 miles of transportation system which includes paved streets, sidewalks, signals, street lights, signs and markings.

2010-11 Accomplishments

- Responded to all storm events.
- Replaced 364 regulatory signs.
- Paved 5 street sections of roadway
- Completed 40,983 feet of crack sealing.
- Completed landscape right-of-way maintenance.

2011-12 Goals, Values, Strategies, Activities, and Performance Measures

Goal: *"The City of Sherwood will provide and maintain infrastructure for its citizens to live, work and play."*

Strategies

Maintain transportation system assets.

Activities

- Pavement Management and street restoration responsibilities include base repair, sanding, perform street condition rating (every three years), slurry seal, overlays and crack seal.
- Right of Way Maintenance including sidewalk repairs, vegetation and barricade maintenance.
- Transportation Management Responsibilities include traffic signal inspections and maintenance, quarterly street light inspections, traffic sign maintenance and pavement markings.

Performance Measures

- Will respond to all storm events.
- Will be replacing a minimum of 141 regulatory signs; will restripe 22 center lane miles of streets.
- Will complete paving projects according to the pavement management program.
- Will crack seal approximately 30,000 feet.
- Maintain landscape of right of way and will manage contractors.
- Will inspect a quarter of city-wide sidewalks.
- Will fill potholes within 24 hours of being notified.

GENERAL GOVERNMENT

STREET OPERATIONS

Street Operations Budget

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|-------------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 258,250 | \$ 305,162 | \$ 168,757 | \$ 254,614 | \$ 280,652 | \$ 280,652 | \$ 280,652 |
| Revenue | | | | | | | |
| Intergovernmental | 705,479 | 749,107 | 899,880 | 906,615 | 901,200 | 901,200 | 901,200 |
| Charges for services | 364,815 | 313,166 | 596,000 | 348,000 | 530,000 | 530,000 | 530,000 |
| Infrastructure development | 762 | 110 | 240 | 240 | - | - | - |
| Fines, interest and other | 6,316 | 1,460 | 1,800 | 1,800 | - | - | - |
| Total revenue | 1,077,371 | 1,063,842 | 1,497,920 | 1,256,655 | 1,431,200 | 1,431,200 | 1,431,200 |
| Other sources | | | | | | | |
| Transfers in | - | - | - | - | 229,000 | 229,000 | 229,000 |
| Total other sources | - | - | - | - | 229,000 | 229,000 | 229,000 |
| Total sources | 1,335,621 | 1,369,004 | 1,666,677 | 1,511,269 | 1,940,852 | 1,940,852 | 1,940,852 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 188,860 | 142,093 | 194,034 | 197,905 | 191,616 | 191,616 | 191,616 |
| Payroll taxes | 19,370 | 16,513 | 30,710 | 29,358 | 27,969 | 27,969 | 27,969 |
| Benefits | 55,920 | 48,389 | 63,771 | 65,013 | 75,780 | 75,780 | 75,780 |
| Total personal services | 264,150 | 206,994 | 288,515 | 292,276 | 295,365 | 295,365 | 295,365 |
| Materials and services | | | | | | | |
| Professional & technical | 207,741 | 53,821 | 23,871 | 32,300 | 35,704 | 35,704 | 35,704 |
| Facility and equipment | 271,672 | 302,787 | 332,888 | 324,384 | 416,500 | 416,500 | 416,500 |
| Other purchased services | 13,945 | 24,367 | 38,540 | 25,800 | 43,916 | 43,916 | 43,916 |
| Supplies | 58,138 | 50,108 | 58,012 | 58,012 | 60,756 | 60,756 | 60,756 |
| Minor equipment | 5,673 | - | 12,000 | 9,500 | 1,008 | 1,008 | 1,008 |
| Other materials & services | 98,147 | 62,568 | 127,299 | 122,226 | 141,196 | 141,196 | 141,196 |
| Total materials & services | 655,316 | 493,652 | 592,610 | 572,222 | 699,080 | 699,080 | 699,080 |
| Capital outlay | | | | | | | |
| Infrastructure | 20,092 | 256,701 | 401,508 | 260,000 | 588,000 | 588,000 | 588,000 |
| Furniture and equipment | - | - | 29,496 | 29,496 | - | - | - |
| Total capital outlay | 20,092 | 256,701 | 431,004 | 289,496 | 588,000 | 588,000 | 588,000 |
| Debt service | | | | | | | |
| Principal | 75,793 | 41,758 | 43,712 | 43,712 | 57,517 | 57,517 | 57,517 |
| Interest | 14,689 | 5,864 | 3,911 | 3,911 | 1,864 | 1,864 | 1,864 |
| Total debt service | 90,482 | 47,622 | 47,623 | 47,623 | 59,381 | 59,381 | 59,381 |
| Total expenditures | 1,030,039 | 1,004,969 | 1,359,752 | 1,201,617 | 1,641,826 | 1,641,826 | 1,641,826 |
| Other uses | | | | | | | |
| Transfers out | 420 | 109,421 | 61,000 | 29,000 | - | - | - |
| Ending Fund Balance | \$ 305,162 | \$ 254,614 | - | - | - | - | - |
| Equipment Replacement Reserve | - | - | - | - | 39,000 | 29,001 | 29,002 |
| Contingency | - | - | 245,925 | 280,652 | 260,025 | 270,024 | 270,023 |
| Total uses | 1,335,621 | 1,369,004 | 1,666,677 | 1,511,269 | 1,940,852 | 1,940,852 | 1,940,852 |

The streets crew maintains 1,665 of regulatory and warning signs every year.

FY11-12 Street Capital Projects

Pine Street Construction Phase 2: This project reconstructs Pine Street between Division Street and Sunset Boulevard. This project upgrades the current road section to meet the City’s TSP standards for a collector street. Also included are the installation of new utility infrastructure (sanitary, storm, and water) to accommodate existing peak load and future growth. City Public Works staff will be responsible for the cleaning and maintenance of this road after construction is completed. However, being new construction it is anticipated that this work will be minimal and consist mostly of cleaning of stormwater catch basins, street sweeping, and leaf disposal.

Annual maintenance costs for Pine St. phase 2

| Programs Affected | Description | Cost Per Year |
|--------------------------|-------------------------------------|----------------------|
| Street Operations | Crack Seal/Slurry Seal (7 yr cycle) | \$ 1,211.43 |
| | Landscaping Maintenance | \$ 1,500.00 |
| Storm Operations | Mainline Cleaning (4 yr cycle) | \$ 95.33 |
| | Mainline TV (8 yr cycle) | \$ 65.14 |
| | Manholes (8 yr cycle) | \$ 75.00 |
| | Catch Basins (8 yr cycle) | \$ 17.50 |
| Sanitary Operations | Mainline Cleaning (4 yr cycle) | \$ 78.53 |
| | Mainline TV (8 yr cycle) | \$ 53.66 |
| | Manholes (8 yr cycle) | \$ 37.50 |
| Water Operations | Valve Maintenance (4 yr cycle) | \$ 70.00 |
| | Line Flushing (4 yr cycle) | \$ 37.50 |

Adams Avenue South Construction: This project constructs Adams Avenue between Oregon Street and Tualatin-Sherwood Road. This road is designated as a collector street in the City’s TSP and intended to relieve traffic congestion through downtown Sherwood. City Public Works staff will be responsible for the cleaning and maintenance of this road after construction is completed. However, being new construction it is anticipated that this work will be minimal and consist mostly of cleaning of stormwater catch basins, street sweeping, and leaf disposal.

Annual maintenance costs for Adams Ave. South

| Programs Affected | Description | Cost Per Year |
|--------------------------|-------------------------------------|----------------------|
| Street Operations | Crack Seal/Slurry Seal (7 yr cycle) | \$ 4,671.14 |
| | Landscaping Maintenance | \$ 5,000.00 |
| Storm Operations | Mainline Cleaning (4 yr cycle) | \$ 310.65 |
| | Mainline TV (8 yr cycle) | \$ 212.28 |
| | Manholes (8 yr cycle) | \$ 468.75 |
| | Catch Basins (8 yr cycle) | \$ 57.50 |
| Sanitary Operations | Mainline Cleaning (4 yr cycle) | \$ 177.60 |
| | Mainline TV (8 yr cycle) | \$ 121.36 |
| | Manholes (8 yr cycle) | \$ 281.25 |
| Water Operations | Valve Maintenance (4 yr cycle) | \$ 332.50 |
| | Line Flushing (4 yr cycle) | \$ 150.00 |

GENERAL GOVERNMENT**STREET CAPITAL**

Adams Avenue/Oregon Street Signal Construction: This project installs a traffic control signal at the Adams Avenue/Oregon Street intersection. This intersection is to be built in conjunction with the Adams Avenue South street project. Washington County DOT maintains all the traffic control signals for the City of Sherwood. It is anticipated City Public Works staff will not have any maintenance duties with this improvement.

Ongoing maintenance will be Portland & Western Railroad's responsibility.

Adams Avenue North Construction: This project constructs the extension of Adams Avenue between Tualatin-Sherwood Road and Highway 99W at the existing intersection to Home Depot. This project is to provide access and growth opportunities to the properties that lay along its alignment. This road is being designated as a collector street and will conform to the TSP street standards. City Public Works staff will be responsible for the cleaning and maintenance of this road after construction is completed. However, being new construction it is anticipated that this work will be minimal and consist mostly of cleaning of stormwater catch basins, street sweeping, and leaf disposal.

Ongoing maintenance costs will be determined when the design is completed.

Street Capital Budget

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 3,723,852 | \$ 4,588,428 | \$ 4,429,436 | \$ 5,363,964 | \$ 3,451,547 | \$ 3,451,547 | \$ 3,451,547 |
| Revenue | | | | | | | |
| Intergovernmental | - | 1,000,000 | 4,160,000 | 3,975,000 | 25,000 | 25,000 | 25,000 |
| Infrastructure development | 1,605,406 | 301,935 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Fines, interest and other | 211,781 | 50,666 | 17,760 | 42,760 | - | - | - |
| Total revenue | 1,817,187 | 1,352,601 | 4,327,760 | 4,167,760 | 175,000 | 175,000 | 175,000 |
| Other sources | | | | | | | |
| Transfers in | - | 2,986 | 115,000 | 286,910 | 783,900 | 783,900 | 783,900 |
| Total other sources | - | 2,986 | 115,000 | 286,910 | 783,900 | 783,900 | 783,900 |
| Total sources | 5,541,038 | 5,944,015 | 8,872,196 | 9,818,634 | 4,410,447 | 4,410,447 | 4,410,447 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 75,916 | 57,587 | 115,802 | 116,149 | 123,144 | 123,144 | 123,144 |
| Payroll taxes | 6,341 | 4,788 | 12,184 | 11,167 | 11,726 | 11,726 | 11,726 |
| Benefits | 31,730 | 17,885 | 34,710 | 34,760 | 45,180 | 45,180 | 45,180 |
| Total personal services | 113,987 | 80,261 | 162,696 | 162,076 | 180,050 | 180,050 | 180,050 |
| Materials and services | | | | | | | |
| Professional & technical | 677,200 | 359,075 | - | - | - | - | - |
| Facility and equipment | 945 | 2,318 | - | - | - | - | - |
| Other purchased services | 8,644 | 6,603 | 204 | 204 | 324 | 324 | 324 |
| Supplies | 9,651 | - | - | - | - | - | - |
| Other materials & services | 84,700 | 54,542 | 137,544 | 129,349 | 139,486 | 139,486 | 139,486 |
| Total materials & services | 781,139 | 422,538 | 137,748 | 129,553 | 139,810 | 139,810 | 139,810 |
| Capital outlay | | | | | | | |
| Land | 14,470 | - | - | - | - | - | - |
| Infrastructure | 24,013 | 3,502 | 6,705,427 | 6,075,458 | 3,439,800 | 3,439,800 | 3,439,800 |
| Total capital outlay | 38,483 | 3,502 | 6,705,427 | 6,075,458 | 3,439,800 | 3,439,800 | 3,439,800 |
| Debt service | | | | | | | |
| Total debt service | - | - | - | - | - | - | - |
| Total expenditures | 933,610 | 506,301 | 7,005,871 | 6,367,087 | 3,759,660 | 3,759,660 | 3,759,660 |
| Other uses | | | | | | | |
| Transfers out | 19,000 | 73,750 | - | - | - | - | - |
| Ending Fund Balance | \$ 4,588,428 | \$ 5,363,964 | - | - | - | - | - |
| Contingency | | | 1,866,325 | 3,451,547 | 650,786 | 650,786 | 650,786 |
| Total uses | 5,541,038 | 5,944,015 | 8,872,196 | 9,818,634 | 4,410,447 | 4,410,447 | 4,410,447 |

ENTERPRISE FUNDS**WATER FUND****Water Fund**

The Water fund consists of two departments, operations and capital. The operations department is responsible for ongoing maintenance of the water utility. The Capital department is responsible for construction of water infrastructure.

Water Fund Budget in Total

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|---------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 8,746,257 | \$ 8,714,110 | \$ 12,964,218 | \$ 7,771,382 | \$ 9,503,316 | \$ 9,503,316 | \$ 9,503,316 |
| Revenue | | | | | | | |
| Intergovernmental | 1,273,556 | - | 500,000 | - | - | - | - |
| Charges for services | 3,445,457 | 3,773,555 | 4,482,680 | 3,801,800 | 4,201,200 | 4,201,200 | 4,201,200 |
| Infrastructure developme | 387,435 | 120,176 | 66,000 | 148,500 | 66,000 | 66,000 | 66,000 |
| Fines, interest and other | 408,758 | 1,209,022 | 40,344 | 40,344 | 24,000 | 24,000 | 24,000 |
| Total revenue | 5,515,206 | 5,102,752 | 5,089,024 | 3,990,644 | 4,291,200 | 4,291,200 | 4,291,200 |
| Other sources | | | | | | | |
| Transfers in | - | 538,013 | 160,000 | 64,000 | 25,000 | 25,000 | 25,000 |
| Issuance of long-term del | 5,596,252 | 3,152,556 | 6,000,000 | 17,249,085 | 6,498,833 | 6,498,833 | 6,498,833 |
| Total other sources | 5,596,252 | 3,690,569 | 6,160,000 | 17,313,085 | 6,523,833 | 6,523,833 | 6,523,833 |
| Total sources | 19,857,715 | 17,507,432 | 24,213,242 | 29,075,111 | 20,318,349 | 20,318,349 | 20,318,349 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 207,492 | 496,153 | 452,211 | 452,249 | 427,764 | 427,764 | 427,764 |
| Payroll taxes | 20,156 | 48,583 | 55,023 | 50,510 | 49,517 | 49,517 | 49,517 |
| Benefits | 79,169 | 182,676 | 172,106 | 172,426 | 184,266 | 184,266 | 184,266 |
| Total personal services | 306,817 | 727,412 | 679,340 | 675,184 | 661,547 | 661,547 | 661,547 |
| Materials and services | | | | | | | |
| Professional & technical | 9,712,914 | 7,858,622 | 687,000 | 667,100 | 854,508 | 854,508 | 854,508 |
| Facility and equipment | 74,823 | 103,397 | 158,664 | 128,892 | 91,312 | 91,312 | 91,312 |
| Other purchased service | 196,268 | 300,330 | 401,508 | 367,862 | 382,462 | 382,462 | 382,462 |
| Supplies | 39,092 | 104,123 | 149,672 | 122,304 | 134,488 | 134,488 | 134,488 |
| Community activities | - | - | 300 | 300 | - | - | - |
| Minor equipment | 42,603 | 11,742 | 13,040 | 13,040 | 8,004 | 8,004 | 8,004 |
| Other materials & servic | 105,930 | 248,596 | 296,680 | 282,354 | 316,245 | 316,245 | 316,245 |
| Total materials & servi | 10,171,629 | 8,626,810 | 1,706,864 | 1,581,852 | 1,787,019 | 1,787,019 | 1,787,019 |
| Capital outlay | | | | | | | |
| Land | 137,477 | 17,634 | - | - | - | - | - |
| Infrastructure | 242,000 | - | 8,738,991 | 6,180,626 | 7,007,750 | 7,007,750 | 7,007,750 |
| Vehicles | 85,277 | - | - | - | - | - | - |
| Furniture and equipmen | - | 4,995 | 111,000 | 111,000 | - | - | - |
| Total capital outlay | 464,754 | 22,629 | 8,849,991 | 6,291,626 | 7,007,750 | 7,007,750 | 7,007,750 |
| Debt service | | | | | | | |
| Principal | 9,973 | 41,758 | 254,712 | 10,254,712 | 501,470 | 501,470 | 501,470 |
| Interest | 190,432 | 280,937 | 376,911 | 376,911 | 1,020,861 | 1,054,103 | 1,054,103 |
| Issuance costs | - | 1,500 | - | 175,000 | - | - | - |
| Total debt service | 200,405 | 324,195 | 631,623 | 10,806,623 | 1,522,332 | 1,555,573 | 1,555,573 |
| Total expenditures | 11,143,605 | 9,701,046 | 11,867,818 | 19,355,285 | 10,978,647 | 11,011,889 | 11,011,889 |
| Other uses | | | | | | | |
| Transfers out | - | 35,004 | 50,500 | 216,510 | 240,000 | 240,000 | 240,000 |
| Ending Fund Balance | 8,714,110 | 7,771,382 | - | - | - | - | - |
| Contingency | | | 12,294,924 | 9,503,316 | 9,099,701 | 9,066,459 | 9,066,459 |
| Total uses | 19,857,715 | 17,507,432 | 24,213,242 | 29,075,111 | 20,318,349 | 20,318,349 | 20,318,349 |

Water Operations

The Water Operation Department's primary responsibility is to repair, maintain and expand the water system while providing a high quality, dependable water supply to its customers.

2010-11 Accomplishments

- Completed sanitary survey of water system.
- Completed Consumer Confidence Report.
- Completed monthly meter reading.
- Completed weekly distribution utility bills.
- Completed 322 water samples.
- Coordinated and managed 2625 backflow devices.

2011-12 Goals, Values, Strategies, Activities, and Performance Measures

Goal: *"The City of Sherwood will provide and maintain infrastructure for its citizens to live, work and play."*

Strategies

Maintain, repair, and expand the water system while at the same time providing a high-quality, dependable water supply to its customers.

Activities

- Prepare and distribute the Consumer Confidence Report which is an annual report on water quality that is mandated by state and federal regulations.
- Water quality sampling is performed throughout the City to ensure compliance with federal Safe Drinking Water Act, Drinking Water Rules, and Regulators. Results are reported monthly for microbiological samples and chlorine residuals. Other testing is completed in accordance with federal and state requirements.
- Operate and repair over 68 miles of water mains, 1800 valves, 560 fire hydrants, and 5700 meters, 3 reservoirs, 4 wells, and 2 pump stations that deliver water to customers at all times.
- Maintain a flushing program
- Operate a valve survey and exercise program.
- Coordinate and manage cross-connection program.
- Target water conservation measures to reduce peak water demand.
- Primary responsibility for all utility locates that relate to water, sanitary, storm and broadband.

Performance Measures

- Will complete required sampling and State guidelines.
- Will complete maintenance on 280 fire hydrants.
- Will read all water meters and bill on a monthly basis.
- Will distribute CCR to all customers by July 1st.

ENTERPRISE FUNDS

WATER FUND

Water Operations Budget

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|-------------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 3,909,504 | \$ 2,360,448 | \$ 3,775,868 | \$ 4,001,022 | \$ 3,612,869 | \$ 3,612,869 | \$ 3,612,869 |
| Revenue | | | | | | | |
| Charges for services | 50,242 | 3,773,555 | 2,482,680 | 1,801,800 | 4,201,200 | 4,201,200 | 4,201,200 |
| Infrastructure developme | 14,456 | 6,918 | 6,000 | 8,500 | 6,000 | 6,000 | 6,000 |
| Fines, interest and other | 60,460 | 13,141 | 24,000 | 24,000 | - | - | - |
| Total revenue | 125,157 | 3,793,613 | 2,512,680 | 1,834,300 | 4,207,200 | 4,207,200 | 4,207,200 |
| Other sources | | | | | | | |
| Transfers in | - | 264,263 | - | 64,000 | 25,000 | 25,000 | 25,000 |
| Total other sources | - | 264,263 | - | 64,000 | 25,000 | 25,000 | 25,000 |
| Total sources | 4,034,661 | 6,418,324 | 6,288,548 | 5,899,322 | 7,845,069 | 7,845,069 | 7,845,069 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 158,062 | 450,991 | 390,830 | 401,312 | 397,956 | 397,956 | 397,956 |
| Payroll taxes | 16,176 | 44,922 | 49,462 | 46,246 | 46,912 | 46,912 | 46,912 |
| Benefits | 58,529 | 168,043 | 150,720 | 154,953 | 171,732 | 171,732 | 171,732 |
| Total personal services | 232,767 | 663,956 | 591,012 | 602,511 | 616,600 | 616,600 | 616,600 |
| Materials and services | | | | | | | |
| Professional & technical | 870,481 | 763,282 | 687,000 | 667,100 | 854,508 | 854,508 | 854,508 |
| Facility and equipment | 58,672 | 93,516 | 158,664 | 128,892 | 91,312 | 91,312 | 91,312 |
| Other purchased service | 193,075 | 284,628 | 400,602 | 367,202 | 382,270 | 382,270 | 382,270 |
| Supplies | 37,217 | 82,576 | 149,672 | 122,304 | 134,488 | 134,488 | 134,488 |
| Community activities | - | - | 300 | 300 | - | - | - |
| Minor equipment | 11,383 | 10,583 | 13,040 | 13,040 | 8,004 | 8,004 | 8,004 |
| Other materials & servic | 81,500 | 219,606 | 256,410 | 251,963 | 294,759 | 294,759 | 294,759 |
| Total materials & service | 1,252,327 | 1,454,191 | 1,665,688 | 1,550,801 | 1,765,341 | 1,765,341 | 1,765,341 |
| Capital outlay | | | | | | | |
| Infrastructure | - | - | - | (75,982) | 25,000 | 25,000 | 25,000 |
| Vehicles | 85,277 | - | - | - | - | - | - |
| Furniture and equipment | - | 4,995 | 111,000 | 111,000 | - | - | - |
| Total capital outlay | 85,277 | 4,995 | 111,000 | 35,018 | 25,000 | 25,000 | 25,000 |
| Debt service | | | | | | | |
| Principal | 9,973 | 41,758 | 43,712 | 43,712 | 501,470 | 501,470 | 501,470 |
| Interest | 93,870 | 217,398 | 3,911 | 3,911 | 1,020,861 | 1,054,103 | 1,054,103 |
| Total debt service | 103,843 | 259,157 | 47,623 | 47,623 | 1,522,332 | 1,555,573 | 1,555,573 |
| Total expenditures | 1,674,214 | 2,382,298 | 2,415,323 | 2,235,953 | 3,929,272 | 3,962,514 | 3,962,514 |
| Other uses | | | | | | | |
| Transfers out | - | 35,004 | 50,500 | 50,500 | 10,000 | 10,000 | 10,000 |
| Ending Fund Balance | \$ 2,360,448 | \$ 4,001,022 | - | - | - | - | - |
| Equipment Replacement Reserve | - | - | - | - | 50,000 | 50,000 | 50,000 |
| Contingency | - | - | 3,822,725 | 3,612,869 | 3,855,797 | 3,822,555 | 3,822,555 |
| Total uses | 4,034,662 | 6,418,324 | 6,288,548 | 5,899,322 | 7,845,069 | 7,845,069 | 7,845,069 |

FY11-12 Water Capital Projects

Long Term Water Supply This project entails the planning, design and construction for the needed improvements to secure a long term water source for the City.

Water Pipeline to Wilsonville In partnership with Wilsonville; construct a meter vault to connect Segment 5 to Segment 6 from Wilsonville to Sherwood. Negotiate an IGA to design, permit and construct Segment 3 of 48” transmission pipeline which will tie Segment 2 and Segment 4 together. Negotiate IGA with Wilsonville for interim water agreement.

Annual maintenance costs for water pipeline to Wilsonville

| Programs Affected | Description | Cost Per Year |
|--------------------------|-----------------------|----------------------|
| Water Operations | Valve maintenance | \$ 1,000.00 |
| | Maintenance of ARV | \$ 500.00 |
| | Locates | \$ 300.00 |
| | Maintenance of Vault | \$ 1,000.00 |
| | Telemetry maintenance | \$ 1,000.00 |
| | Cathodic protection | \$ 5,000.00 |

Seismic Upgrade An upgrade is needed at the existing reservoir #1 at Snyder Park. The improvements are necessary to extend the service life of the reservoir that was built in the early 70’s. If these improvements are completed the reservoir will have a life expectancy of between 12 to 15 years or longer.

There will be no additional maintenance costs due to the upgrade, the current maintenance program will continue.

Siting and Property Needs Complete siting analysis and identify property acquisition needs for future 535 foot pressure zone reservoir.

2010-11 Accomplishments

- Completed IGAs for meter vault and temporary water source with the City of Wilsonville
- In partnership with Wilsonville, began construction of meter vault
- Completed Segments 6, 7 and 8 of the 48” transmission water main from Sherwood to Wilsonville
- Completed 24” temporary line for temporary water use
- In process of designing seismic upgrade for Sunset Reservoir #1
- Partnered with City of Wilsonville to complete hydraulic analysis of the Willamette River Treatment Plant
- Partnered with City of Wilsonville to complete Willamette River Water Treatment Plant rate study.

Water Capital Budget

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 4,836,808 | \$ 6,345,168 | \$ 9,188,350 | \$ 3,770,360 | \$ 5,890,446 | \$ 5,890,446 | \$ 5,890,446 |
| Revenue | | | | | | | |
| Intergovernmental | 1,273,556 | - | 500,000 | - | - | - | - |
| Charges for services | 3,395,215 | - | 2,000,000 | 2,000,000 | - | - | - |
| Infrastructure development | 372,980 | 113,258 | 60,000 | 140,000 | 60,000 | 60,000 | 60,000 |
| Fines, interest and other | 348,298 | 1,195,881 | 16,344 | 16,344 | 24,000 | 24,000 | 24,000 |
| Total revenue | 5,390,049 | 1,309,139 | 2,576,344 | 2,156,344 | 84,000 | 84,000 | 84,000 |
| Other sources | | | | | | | |
| Transfers in | - | 273,750 | 160,000 | - | - | - | - |
| Issuance of long-term debt | 5,596,252 | 3,152,556 | 6,000,000 | 17,249,085 | 6,498,833 | 6,498,833 | 6,498,833 |
| Total other sources | 5,596,252 | 3,426,306 | 6,160,000 | 17,249,085 | 6,498,833 | 6,498,833 | 6,498,833 |
| Total sources | 15,823,109 | 11,080,613 | 17,924,694 | 23,175,789 | 12,473,279 | 12,473,279 | 12,473,279 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 49,430 | 45,162 | 61,381 | 50,937 | 29,808 | 29,808 | 29,808 |
| Payroll taxes | 3,980 | 3,661 | 5,561 | 4,264 | 2,605 | 2,605 | 2,605 |
| Benefits | 20,641 | 14,633 | 21,386 | 17,473 | 12,534 | 12,534 | 12,534 |
| Total personal services | 74,050 | 63,455 | 88,328 | 72,674 | 44,947 | 44,947 | 44,947 |
| Materials and services | | | | | | | |
| Professional & technical | 8,850,927 | 7,095,341 | - | - | - | - | - |
| Facility and equipment | 16,206 | 9,881 | - | - | - | - | - |
| Other purchased services | 3,193 | 15,701 | 906 | 660 | 192 | 192 | 192 |
| Supplies | 1,875 | 21,547 | - | - | - | - | - |
| Minor equipment | 31,221 | 1,159 | - | - | - | - | - |
| Other materials & services | 24,430 | 20,496 | 40,270 | 30,391 | 21,486 | 21,486 | 21,486 |
| Total materials & services | 8,927,851 | 7,164,125 | 41,176 | 31,051 | 21,678 | 21,678 | 21,678 |
| Capital outlay | | | | | | | |
| Land | 137,477 | 17,634 | - | - | - | - | - |
| Infrastructure | 242,000 | - | 8,738,991 | 6,256,608 | 6,982,750 | 6,982,750 | 6,982,750 |
| Total capital outlay | 379,477 | 17,634 | 8,738,991 | 6,256,608 | 6,982,750 | 6,982,750 | 6,982,750 |
| Debt service | | | | | | | |
| Principal | - | - | 211,000 | 10,211,000 | - | - | - |
| Interest | 96,562 | 63,539 | 373,000 | 373,000 | - | - | - |
| Issuance costs | - | 1,500 | - | 175,000 | - | - | - |
| Total debt service | 96,562 | 65,039 | 584,000 | 10,759,000 | - | - | - |
| Total expenditures | 9,477,940 | 7,310,253 | 9,452,495 | 17,119,333 | 7,049,375 | 7,049,375 | 7,049,375 |
| Other uses | | | | | | | |
| Transfers out | - | - | - | 166,010 | 230,000 | 230,000 | 230,000 |
| Ending Fund Balance | \$ 6,345,168 | \$ 3,770,360 | - | - | - | - | - |
| Contingency | | | 8,472,199 | 5,890,446 | 5,193,904 | 5,193,904 | 5,193,904 |
| Total uses | 15,823,109 | 11,080,613 | 17,924,694 | 23,175,789 | 12,473,279 | 12,473,279 | 12,473,279 |

It takes an average of 1.25 minutes to read a water meter.

ENTERPRISE FUNDS**SANITARY FUND****Sanitary Fund**

The Sanitary fund consists of two departments, operations and capital. The operations department is responsible for ongoing maintenance of the sanitary utility. The Capital department is responsible for construction of sanitary infrastructure.

Sanitary Fund Budget in Total

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 4,418,258 | \$ 4,256,969 | \$ 4,338,622 | \$ 3,797,477 | \$ 3,614,505 | \$ 3,614,505 | \$ 3,614,505 |
| Revenue | | | | | | | |
| Intergovernmental | - | - | 1,143,738 | 648,360 | 761,408 | 761,408 | 761,408 |
| Charges for services | 329,065 | 456,341 | 512,376 | 453,720 | 512,736 | 512,736 | 512,736 |
| Infrastructure development | 150,098 | 8,331 | 3,240 | 3,240 | 3,000 | 3,000 | 3,000 |
| Fines, interest and other | 71,274 | 90,611 | 18,456 | 18,118 | 8,700 | 8,700 | 8,700 |
| Total revenue | 550,436 | 555,283 | 1,677,810 | 1,123,438 | 1,285,844 | 1,285,844 | 1,285,844 |
| Other sources | | | | | | | |
| Transfers in | 86,314 | - | - | - | 50,000 | 50,000 | 50,000 |
| Total other sources | 86,314 | - | - | - | 50,000 | 50,000 | 50,000 |
| Total sources | 5,055,008 | 4,812,252 | 6,016,432 | 4,920,915 | 4,950,349 | 4,950,349 | 4,950,349 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 122,350 | 174,984 | 232,874 | 209,923 | 227,304 | 227,304 | 227,304 |
| Payroll taxes | 11,213 | 16,953 | 27,956 | 23,628 | 26,240 | 26,240 | 26,240 |
| Benefits | 37,962 | 48,959 | 75,312 | 65,063 | 79,080 | 79,080 | 79,080 |
| Total personal services | 171,526 | 240,895 | 336,143 | 298,615 | 332,624 | 332,624 | 332,624 |
| Materials and services | | | | | | | |
| Professional & technical | 147,123 | 352,281 | 18,500 | 12,500 | 35,508 | 35,508 | 35,508 |
| Facility and equipment | 8,861 | 14,275 | 23,832 | 14,792 | 24,240 | 24,240 | 24,240 |
| Other purchased services | 124,780 | 134,354 | 47,298 | 37,752 | 72,480 | 72,480 | 72,480 |
| Supplies | 10,360 | 7,476 | 12,224 | 12,224 | 12,188 | 12,188 | 12,188 |
| Minor equipment | 7,873 | 2,444 | 8,788 | 6,808 | 1,508 | 1,508 | 1,508 |
| Other materials & services | 60,968 | 126,802 | 202,766 | 174,863 | 198,451 | 198,451 | 198,451 |
| Total materials & services | 359,965 | 637,632 | 313,408 | 258,939 | 344,375 | 344,375 | 344,375 |
| Capital outlay | | | | | | | |
| Infrastructure | - | - | 677,174 | 488,714 | 1,403,329 | 1,403,329 | 1,403,329 |
| Vehicles | 37,450 | - | - | - | - | - | - |
| Furniture and equipment | - | 7,600 | 50,000 | 30,000 | - | - | - |
| Total capital outlay | 37,450 | 7,600 | 727,174 | 518,714 | 1,403,329 | 1,403,329 | 1,403,329 |
| Debt service | | | | | | | |
| Principal | 31,913 | 39,670 | 41,527 | 41,527 | 54,642 | 54,642 | 54,642 |
| Interest | 6,185 | 5,571 | 3,715 | 3,715 | 1,771 | 1,771 | 1,771 |
| Total debt service | 38,098 | 45,241 | 45,242 | 45,242 | 56,413 | 56,413 | 56,413 |
| Total expenditures | 607,039 | 931,368 | 1,421,968 | 1,121,510 | 2,136,741 | 2,136,741 | 2,136,741 |
| Other uses | | | | | | | |
| Transfers out | 191,000 | 83,407 | 79,000 | 184,900 | 323,900 | 323,900 | 323,900 |
| Ending Fund Balance | 4,256,969 | 3,797,477 | - | - | - | - | - |
| Contingency | | | 4,515,464 | 3,614,505 | 2,489,708 | 2,489,708 | 2,489,708 |
| Total uses | 5,055,008 | 4,812,252 | 6,016,432 | 4,920,915 | 4,950,349 | 4,950,349 | 4,950,349 |

Sanitary Operations

The Sanitary Department manages and operates over 62 miles of pipe in the wastewater collection system in the city limits of Sherwood.

2010-11 Accomplishments

- Cleaned 164,634 feet of sanitary main lines.
- Videoed 56,725 feet of sanitary main lines.
- Completed brushing and posting program.
- Completed 63 inspections at City businesses to ensure FOG compliance.

2011-12 Goals, Values, Strategies, Activities, and Performance Measures

Goal: *"The City of Sherwood will provide and maintain infrastructure for its citizens to live, work and play."*

Strategies

Manage and operate over 62 miles of pipe in the wastewater collection system within the city limits of Sherwood.

Activities

- To ensure compliance with the City of Sherwood's maintenance standards which are adopted by Clean Water Services. This work section provides all warranty video inspection of all main line construction projects (private and capital).
- Television inspection program is on a 7 year cycle and provides updated information on needed sanitary main line repairs and replacements.
- The sanitary pipe lines are on a 3 year cleaning cycle to prevent blockages that could cause overflows.
- Root cutting is on annual schedule to prevent blockages.
- Fat Oil and Grease Program. Provide inspections to ensure compliance with City ordinance to minimize maintenance costs.

Performance Measures

- Will clean 1/3 of city's sanitary mainlines.
- Will continue to provide brushing and posting program which include annual inspections and maintenance of offsite manholes (wetlands).
- Will CCTV 1/7 of city's sanitary mainline system.
- Will respond to all private property sanitary overflows that we are made aware of.
- Will complete inspections at city businesses for fat, oil, and grease (FOG) program to ensure compliance with city code.

ENTERPRISE FUNDS**SANITARY FUND****Sanitary Operations Budget**

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|-------------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 258,704 | \$ 84,254 | \$ 92,124 | \$ 59,785 | \$ 32,653 | \$ 32,653 | \$ 32,653 |
| Revenue | | | | | | | |
| Charges for services | 329,065 | 456,271 | 512,376 | 453,720 | 512,736 | 512,736 | 512,736 |
| Infrastructure development | 740 | 172 | 240 | 240 | - | - | - |
| Fines, interest and other | 5,103 | 868 | 804 | 1,610 | - | - | - |
| Total revenue | 334,907 | 457,311 | 513,420 | 455,570 | 512,736 | 512,736 | 512,736 |
| Other sources | | | | | | | |
| Transfers in | - | - | - | - | 50,000 | 50,000 | 50,000 |
| Total other sources | - | - | - | - | 50,000 | 50,000 | 50,000 |
| Total sources | 593,610 | 541,565 | 605,544 | 515,355 | 595,389 | 595,389 | 595,389 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 107,471 | 101,490 | 139,580 | 126,749 | 131,400 | 131,400 | 131,400 |
| Payroll taxes | 9,968 | 10,805 | 18,096 | 15,619 | 16,782 | 16,782 | 16,782 |
| Benefits | 32,807 | 31,561 | 47,074 | 40,661 | 52,200 | 52,200 | 52,200 |
| Total personal services | 150,245 | 143,856 | 204,750 | 183,029 | 200,382 | 200,382 | 200,382 |
| Materials and services | | | | | | | |
| Professional & technical | 17,983 | 10,199 | 18,500 | 12,500 | 35,508 | 35,508 | 35,508 |
| Facility and equipment | 8,861 | 11,519 | 23,832 | 14,792 | 24,240 | 24,240 | 24,240 |
| Other purchased services | 123,767 | 122,261 | 47,034 | 37,566 | 72,192 | 72,192 | 72,192 |
| Supplies | 10,360 | 7,476 | 12,224 | 12,224 | 12,188 | 12,188 | 12,188 |
| Minor equipment | 7,873 | 2,444 | 8,788 | 6,808 | 1,508 | 1,508 | 1,508 |
| Other materials & services | 49,720 | 50,762 | 91,574 | 76,541 | 95,790 | 95,790 | 95,790 |
| Total materials & services | 218,563 | 204,662 | 201,952 | 160,431 | 241,426 | 241,426 | 241,426 |
| Capital outlay | | | | | | | |
| Vehicles | 37,450 | - | - | - | - | - | - |
| Furniture and equipment | - | 7,600 | 50,000 | 30,000 | - | - | - |
| Total capital outlay | 37,450 | 7,600 | 50,000 | 30,000 | - | - | - |
| Debt service | | | | | | | |
| Principal | 31,913 | 39,670 | 41,527 | 41,527 | 54,642 | 54,642 | 54,642 |
| Interest | 6,185 | 5,571 | 3,715 | 3,715 | 1,771 | 1,771 | 1,771 |
| Total debt service | 38,098 | 45,241 | 45,242 | 45,242 | 56,413 | 56,413 | 56,413 |
| Total expenditures | 444,356 | 401,359 | 501,944 | 418,702 | 498,221 | 498,221 | 498,221 |
| Other uses | | | | | | | |
| Transfers out | 65,000 | 80,421 | 64,000 | 64,000 | - | - | - |
| Ending Fund Balance | \$ 84,254 | \$ 59,785 | - | - | - | - | - |
| Equipment Replacement Reserve | | | | | 50,000 | 50,001 | 50,001 |
| Contingency | | | 39,600 | 32,653 | 47,168 | 47,167 | 47,167 |
| Total uses | 593,610 | 541,565 | 605,544 | 515,355 | 595,389 | 595,389 | 595,389 |

FY11-12 Sanitary Capital Projects

Brookman Area (Area 54/55) Sanitary Sewer Conveyance System Extension Phase 1: This project extends a public sanitary sewer conveyance system mainline to the northern border of the Brookman Area (Area 54/55) annexation property. This mainline extension will provide service for the future growth of the area. Public Works maintenance will consist mostly of inspection of the conveyance system on a bi-yearly basis and cleaning once every 5 to 10 years.

Annual maintenance costs for Brookman sanitary sewer extension phase 1

| Programs Affected | Description | Cost Per Year |
|--------------------------|--------------------------------|----------------------|
| Sanitary Operations | Mainline Cleaning (4 yr cycle) | \$ 121.95 |
| | Mainline TV (8 yr cycle) | \$ 83.33 |
| | Manholes (8 yr cycle) | \$ 131.25 |

Brookman Area (Area 54/55) Sanitary Sewer Conveyance System Extension Phase 2: This project extends a public sanitary conveyance system mainline through the Brookman Area annexed property. This mainline extension will provide service for the future growth of the area. Public Works maintenance will consist mostly of inspection of the conveyance system on a bi-yearly basis and cleaning once every 5 to 10 years.

Design and construction are pending City Council approval. Ongoing maintenance costs will be determined after design is completed.

Rock Creek Trunk Line Capacity Upgrade: This project consists of replacing/upsizing approximately 5,200 linear feet of existing 18-inch diameter sewer main trunk line with 24-inch diameter sewer main trunk line. The project limits are from the City limits off Tualatin-Sherwood Road north and east, across Onion Flats, to the CWS pump lift station off Hwy 99W, which is located northeast of downtown Sherwood. The project is listed in the City’s Sanitary Sewer Master Plan and in Clean Water Services (CWS) system plans for upgrading, and is necessary for future development of Area 48 and infill development in the southeast and northeast part of the City. The project will be funded by reimbursement funds from CWS’s CIP program.

Ongoing maintenance of this system is the responsibility of CWS.

Rock Creek Trunk Capacity Upgrade Phase 1: This project consists of replacing/upsizing approximately 1,349 linear feet of existing 18-inch diameter pipe with 24-inch diameter pipe between the two manholes noted above. This upgrade is necessary to provide capacity for future growth and expansion of the northeast portion of Sherwood (Area 48).

Ongoing maintenance of this system is the responsibility of CWS.

Rock Creek Trunk Line Capacity Upgrade Phase 2: This project consists of replacing/upsizing approximately 1,436 linear feet of existing 15-inch diameter pipe with 18-inch diameter pipe between the two manholes noted above. This upgrade is necessary to provide capacity for future growth and expansion of the northeast portion of Sherwood (Area 48).

Ongoing maintenance of this system is the responsibility of CWS.

ENTERPRISE FUNDS

SANITARY FUND

Sanitary Capital Budget

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 4,159,555 | \$ 4,172,715 | \$ 4,246,498 | \$ 3,737,692 | \$ 3,581,853 | \$ 3,581,853 | \$ 3,581,853 |
| Revenue | | | | | | | |
| Intergovernmental | - | - | 1,143,738 | 648,360 | 761,408 | 761,408 | 761,408 |
| Charges for services | - | 70 | - | - | - | - | - |
| Infrastructure development | 149,359 | 8,159 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| Fines, interest and other | 66,171 | 89,743 | 17,652 | 16,508 | 8,700 | 8,700 | 8,700 |
| Total revenue | 215,529 | 97,972 | 1,164,390 | 667,868 | 773,108 | 773,108 | 773,108 |
| Other sources | | | | | | | |
| Transfers in | 86,314 | - | - | - | - | - | - |
| Total other sources | 86,314 | - | - | - | - | - | - |
| Total sources | 4,461,398 | 4,270,687 | 5,410,888 | 4,405,560 | 4,354,961 | 4,354,961 | 4,354,961 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 14,880 | 73,494 | 93,294 | 83,174 | 95,904 | 95,904 | 95,904 |
| Payroll taxes | 1,246 | 6,147 | 9,860 | 8,009 | 9,458 | 9,458 | 9,458 |
| Benefits | 5,155 | 17,398 | 28,238 | 24,402 | 26,880 | 26,880 | 26,880 |
| Total personal services | 21,281 | 97,039 | 131,393 | 115,585 | 132,242 | 132,242 | 132,242 |
| Materials and services | | | | | | | |
| Professional & technical | 129,140 | 342,082 | - | - | - | - | - |
| Facility and equipment | - | 2,756 | - | - | - | - | - |
| Other purchased services | 1,013 | 12,093 | 264 | 186 | 288 | 288 | 288 |
| Other materials & services | 11,248 | 76,039 | 111,193 | 98,322 | 102,661 | 102,661 | 102,661 |
| Total materials & services | 141,402 | 432,970 | 111,457 | 98,508 | 102,949 | 102,949 | 102,949 |
| Capital outlay | | | | | | | |
| Infrastructure | - | - | 677,174 | 488,714 | 1,403,329 | 1,403,329 | 1,403,329 |
| Total capital outlay | - | - | 677,174 | 488,714 | 1,403,329 | 1,403,329 | 1,403,329 |
| Debt service | | | | | | | |
| Total debt service | - | - | - | - | - | - | - |
| Total expenditures | 162,683 | 530,009 | 920,024 | 702,808 | 1,638,520 | 1,638,520 | 1,638,520 |
| Other uses | | | | | | | |
| Transfers out | 126,000 | 2,986 | 15,000 | 120,900 | 323,900 | 323,900 | 323,900 |
| Ending Fund Balance | \$ 4,172,715 | \$ 3,737,692 | - | - | - | - | - |
| Contingency | | | 4,475,864 | 3,581,853 | 2,392,541 | 2,392,541 | 2,392,541 |
| Total uses | 4,461,398 | 4,270,687 | 5,410,888 | 4,405,560 | 4,354,961 | 4,354,961 | 4,354,961 |

1/3, equivalent to about 110,000 feet of Sherwood's sanitary system is cleaned every year.

ENTERPRISE FUNDS**STORM FUND****Storm Fund**

The Storm fund consists of two departments, operations and capital. The operations department is responsible for ongoing maintenance of the stormwater utility. The Capital department is responsible for construction of stormwater infrastructure.

Storm Fund Budget in Total

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 1,656,622 | \$ 550,084 | \$ 469,479 | \$ 628,418 | \$ 843,907 | \$ 843,907 | \$ 843,907 |
| Revenue | | | | | | | |
| Intergovernmental | - | - | - | - | 350,000 | 350,000 | 350,000 |
| Charges for services | 559,283 | 1,330,431 | 1,425,348 | 1,355,899 | 1,360,000 | 1,360,000 | 1,360,000 |
| Infrastructure development | 124,677 | 13,435 | 10,236 | 3,240 | 3,000 | 3,000 | 3,000 |
| Fines, interest and other | 24,402 | 3,982 | 3,420 | 3,420 | 1,200 | 1,200 | 1,200 |
| Total revenue | 708,362 | 1,347,848 | 1,439,004 | 1,362,559 | 1,714,200 | 1,714,200 | 1,714,200 |
| Other sources | | | | | | | |
| Transfers in | 430,686 | - | - | - | 60,000 | 60,000 | 60,000 |
| Issuance of long-term debt | 500,000 | - | - | - | - | - | - |
| Total other sources | 930,686 | - | - | - | 60,000 | 60,000 | 60,000 |
| Total sources | 3,295,669 | 1,897,932 | 1,908,483 | 1,990,977 | 2,618,107 | 2,618,107 | 2,618,107 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 177,815 | 157,913 | 236,369 | 232,521 | 235,092 | 235,092 | 235,092 |
| Payroll taxes | 17,935 | 18,847 | 32,858 | 30,378 | 30,262 | 30,262 | 30,262 |
| Benefits | 54,851 | 47,659 | 76,112 | 72,963 | 85,008 | 85,008 | 85,008 |
| Total personal services | 250,600 | 224,419 | 345,339 | 335,863 | 350,362 | 350,362 | 350,362 |
| Materials and services | | | | | | | |
| Professional & technical | 2,171,379 | 143,685 | 162,498 | 162,298 | 165,396 | 165,396 | 165,396 |
| Facility and equipment | 15,763 | 13,692 | 24,684 | 19,180 | 25,216 | 25,216 | 25,216 |
| Other purchased services | 39,300 | 78,314 | 103,175 | 97,266 | 87,652 | 87,652 | 87,652 |
| Supplies | 8,209 | 15,721 | 21,876 | 21,876 | 23,100 | 23,100 | 23,100 |
| Minor equipment | 5,673 | - | 11,032 | 11,032 | 8,852 | 8,852 | 8,852 |
| Other materials & services | 119,228 | 89,149 | 164,611 | 149,991 | 184,091 | 184,091 | 184,091 |
| Total materials & services | 2,359,552 | 340,560 | 487,875 | 461,643 | 494,307 | 494,307 | 494,307 |
| Capital outlay | | | | | | | |
| Infrastructure | 1,101 | - | 100,000 | 100,000 | 600,203 | 600,203 | 600,203 |
| Vehicles | 37,450 | - | - | - | - | - | - |
| Furniture and equipment | - | - | 32,500 | 32,500 | 11,000 | 11,000 | 11,000 |
| Total capital outlay | 38,551 | - | 132,500 | 132,500 | 611,203 | 611,203 | 611,203 |
| Debt service | | | | | | | |
| Principal | 62,876 | 135,728 | 141,014 | 141,014 | 158,269 | 158,269 | 158,269 |
| Interest | 12,106 | 21,335 | 16,050 | 16,050 | 10,552 | 10,552 | 10,552 |
| Issuance costs | 1,600 | 5,684 | - | - | - | - | - |
| Total debt service | 76,582 | 162,747 | 157,064 | 157,064 | 168,821 | 168,821 | 168,821 |
| Total expenditures | 2,725,286 | 727,726 | 1,122,777 | 1,087,070 | 1,624,694 | 1,624,694 | 1,624,694 |
| Other uses | | | | | | | |
| Transfers out | 20,300 | 541,788 | 224,000 | 60,000 | 230,000 | 230,000 | 230,000 |
| Ending Fund Balance | 550,084 | 628,418 | - | - | - | - | - |
| Contingency | | | 561,706 | 843,907 | 763,413 | 763,413 | 763,413 |
| Total uses | 3,295,669 | 1,897,932 | 1,908,483 | 1,990,977 | 2,618,107 | 2,618,107 | 2,618,107 |

Storm Operations

The Storm Water Department manages and operates over 59 miles of pipe in the storm water collection and treatment system within the City.

2010-11 Accomplishments

- Cleaned 81,740 feet of storm sewer main lines.
- Cleaned 1,675 catch basins.
- Cleaned 109 water quality manholes.
- Videoed 56,725 feet of storm sewer main lines.
- Treated 1675 catch basins and collected 9 samples for prevention of West Nile Virus.
- Completed leaf curbside pickup for all public city streets and held 3 leaf drop dates at public works facility. Collected 338 yards of leaves and collected 320 lbs of canned food.
- Planted 6,323 trees in compliance with Healthy Streams program.
- Completed monthly street sweeping.

2011-12 Goals, Values, Strategies, Activities, and Performance Measures

Goal: “The City of Sherwood will provide and maintain infrastructure for its citizens to live, work and play.”

Strategies

Manage the storm water collection and treatment systems within the City of Sherwood.

Activities

- To ensure compliance with the City of Sherwood’s maintenance standards which are adopted by Clean Water Services. This work section provides all warranty video inspection of all main line construction projects (private and capital).
- Television inspection program is on a 7 year cycle and provides updated information on needed storm main line repairs and replacements.
- Clean water quality manholes twice yearly and catch basins yearly.
- Maintain maintenance program of water quality facilities and storm water filters.
- West Nile Virus Program consists of sampling, treatment, and monitoring.
- The storm pipe lines are on a 4 year cleaning cycle to prevent blockages that could cause flooding.
- Leaf Program prevents street flooding and helps minimize maintenance costs.
- Street Sweeping consists of working with independent contractors to ensure contract agreements are followed and that work progresses smoothly.
- Healthy Streams plan consists of tree planting in accordance with Clean Water Services Healthy Streams programs.

Performance Measures

- Will clean 1/4 of city storm mainlines.
- Will clean all sumped catch basins.
- Will clean water quality manholes twice yearly.
- Will CCTV 1/8 of city’s storm mainline.
- Will provide treatment of all catch basins and will sample bi-weekly from June through September for West Nile Virus Program.
- Will provide leaf curbside pickup for all public city streets during November and will hold three (3) leaf drop dates in November and December.
- Will plant 5,269 trees as required per Healthy Stream Program.
- Will complete monthly sweeping of public curbed streets.

ENTERPRISE FUNDS**STORM FUND****Storm Operations Budget**

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|-------------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$(145,278) | \$ 237,288 | \$ 315,956 | \$ 380,369 | \$ 427,999 | \$ 427,999 | \$ 427,999 |
| Revenue | | | | | | | |
| Charges for services | 559,283 | 1,330,431 | 1,350,348 | 1,155,899 | 960,000 | 960,000 | 960,000 |
| Infrastructure development | 7,892 | 172 | 240 | 240 | - | - | - |
| Fines, interest and other | 1,587 | 2,474 | 2,220 | 2,220 | - | - | - |
| Total revenue | 568,761 | 1,333,077 | 1,352,808 | 1,158,359 | 960,000 | 960,000 | 960,000 |
| Other sources | | | | | | | |
| Transfers in | 370,000 | - | - | - | 60,000 | 60,000 | 60,000 |
| Total other sources | 370,000 | - | - | - | 60,000 | 60,000 | 60,000 |
| Total sources | 793,483 | 1,570,365 | 1,668,764 | 1,538,728 | 1,447,999 | 1,447,999 | 1,447,999 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 139,036 | 144,238 | 217,856 | 218,758 | 195,732 | 195,732 | 195,732 |
| Payroll taxes | 14,681 | 17,704 | 30,860 | 29,018 | 26,457 | 26,457 | 26,457 |
| Benefits | 43,340 | 44,719 | 70,847 | 69,233 | 72,360 | 72,360 | 72,360 |
| Total personal services | 197,057 | 206,661 | 319,563 | 317,010 | 294,549 | 294,549 | 294,549 |
| Materials and services | | | | | | | |
| Professional & technical | 102,015 | 97,675 | 162,498 | 162,298 | 165,396 | 165,396 | 165,396 |
| Facility and equipment | 8,365 | 12,746 | 24,684 | 19,180 | 25,216 | 25,216 | 25,216 |
| Other purchased services | 39,085 | 77,181 | 103,070 | 97,200 | 87,568 | 87,568 | 87,568 |
| Supplies | 8,209 | 15,721 | 21,876 | 21,876 | 23,100 | 23,100 | 23,100 |
| Minor equipment | 5,673 | - | 11,032 | 11,032 | 8,852 | 8,852 | 8,852 |
| Other materials & services | 73,259 | 75,476 | 142,928 | 132,570 | 140,806 | 140,806 | 140,806 |
| Total materials & services | 236,605 | 278,800 | 466,088 | 444,156 | 450,938 | 450,938 | 450,938 |
| Capital outlay | | | | | | | |
| Infrastructure | 1,101 | - | 100,000 | 100,000 | 236,500 | 236,500 | 236,500 |
| Vehicles | 37,450 | - | - | - | - | - | - |
| Furniture and equipment | - | - | 32,500 | 32,500 | 11,000 | 11,000 | 11,000 |
| Total capital outlay | 38,551 | - | 132,500 | 132,500 | 247,500 | 247,500 | 247,500 |
| Debt service | | | | | | | |
| Principal | 62,876 | 135,728 | 141,014 | 141,014 | 158,269 | 158,269 | 158,269 |
| Interest | 12,106 | 21,335 | 16,050 | 16,050 | 10,552 | 10,552 | 10,552 |
| Issuance costs | - | 5,684 | - | - | - | - | - |
| Total debt service | 74,982 | 162,747 | 157,064 | 157,064 | 168,821 | 168,821 | 168,821 |
| Total expenditures | 547,195 | 648,207 | 1,075,215 | 1,050,729 | 1,161,808 | 1,161,808 | 1,161,808 |
| Other uses | | | | | | | |
| Transfers out | 9,000 | 541,788 | 124,000 | 60,000 | - | - | - |
| Ending Fund Balance | \$237,288 | \$ 380,369 | - | - | - | - | - |
| Equipment Replacement Reserve | | | | | 70,000 | 70,000 | 70,000 |
| Contingency | | | 469,549 | 427,999 | 216,191 | 216,191 | 216,191 |
| Total uses | 793,483 | 1,570,365 | 1,668,764 | 1,538,728 | 1,447,999 | 1,447,999 | 1,447,999 |

FY11-12 Storm Capital Projects

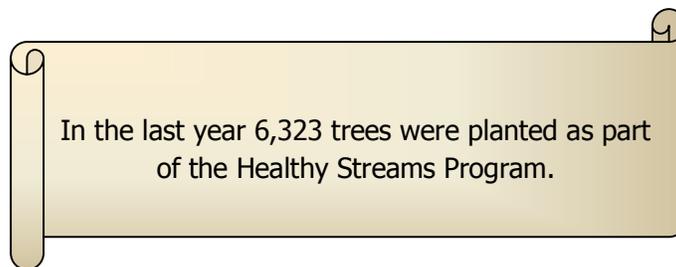
Brookman Area (Area 54/55) Upper Ladd Hill Regional Stormwater Treatment Facility

Feasibility Study and Design: The project is to define an area where a regional stormwater quality treatment facility may be located and to provide a design for its construction. These design drawings will be provided to developers for their use in development of the Brookman Area (Area 54/55). This level of work will not have any impact on Public Works maintenance staff.

Fiscal year 2011-12 includes the design of the treatment facility only. Ongoing maintenance costs will be determined after the design is completed.

Columbia Street Regional Stormwater Quality Facility: This project is identified in the City's Stormwater Master Plan. This project constructs a regional stormwater treatment facility which will provide stormwater treatment for the downtown core area not served by the stormwater treatment facility constructed as part of the Downtown Streetscapes Phase 1 project. This project will be required to be constructed within five years of the completion of Phase 1 of the Cannery project. Public Works maintenance will consist of inspection and cleaning the water quality facility to maintain its functionality. This work will be performed on a yearly basis.

Fiscal year 2011-12 includes the purchase of property only. Design and construction will be in future years as will the analysis of the impact on ongoing maintenance costs.



ENTERPRISE FUNDS

STORM FUND

Storm Capital Budget

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 1,801,900 | \$ 312,796 | \$ 153,523 | \$ 248,048 | \$ 415,907 | \$ 415,907 | \$ 415,907 |
| Revenue | | | | | | | |
| Intergovernmental | - | - | - | - | 350,000 | 350,000 | 350,000 |
| Charges for services | - | - | 75,000 | 200,000 | 400,000 | 400,000 | 400,000 |
| Infrastructure development | 116,785 | 13,263 | 9,996 | 3,000 | 3,000 | 3,000 | 3,000 |
| Fines, interest and other | 22,815 | 1,508 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| Total revenue | 139,600 | 14,772 | 86,196 | 204,200 | 754,200 | 754,200 | 754,200 |
| Other sources | | | | | | | |
| Transfers in | 60,686 | - | - | - | - | - | - |
| Issuance of long-term debt | 500,000 | - | - | - | - | - | - |
| Total other sources | 560,686 | - | - | - | - | - | - |
| Total sources | 2,502,186 | 327,567 | 239,719 | 452,248 | 1,170,107 | 1,170,107 | 1,170,107 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 38,779 | 13,675 | 18,513 | 13,763 | 39,360 | 39,360 | 39,360 |
| Payroll taxes | 3,254 | 1,143 | 1,998 | 1,360 | 3,805 | 3,805 | 3,805 |
| Benefits | 11,511 | 2,941 | 5,265 | 3,730 | 12,648 | 12,648 | 12,648 |
| Total personal services | 53,543 | 17,759 | 25,776 | 18,853 | 55,813 | 55,813 | 55,813 |
| Materials and services | | | | | | | |
| Professional & technical | 2,069,365 | 46,010 | - | - | - | - | - |
| Facility and equipment | 7,399 | 945 | - | - | - | - | - |
| Other purchased services | 215 | 1,133 | 105 | 66 | 84 | 84 | 84 |
| Other materials & services | 45,969 | 13,673 | 21,683 | 17,421 | 43,285 | 43,285 | 43,285 |
| Total materials & services | 2,122,947 | 61,761 | 21,787 | 17,487 | 43,369 | 43,369 | 43,369 |
| Capital outlay | | | | | | | |
| Infrastructure | - | - | - | - | 363,703 | 363,703 | 363,703 |
| Total capital outlay | - | - | - | - | 363,703 | 363,703 | 363,703 |
| Debt service | | | | | | | |
| Issuance costs | 1,600 | - | - | - | - | - | - |
| Total debt service | 1,600 | - | - | - | - | - | - |
| Total expenditures | 2,178,090 | 79,519 | 47,563 | 36,341 | 462,885 | 462,885 | 462,885 |
| Other uses | | | | | | | |
| Transfers out | 11,300 | - | 100,000 | - | 230,000 | 230,000 | 230,000 |
| Ending Fund Balance | \$ 312,796 | \$ 248,048 | - | - | - | - | - |
| Contingency | | | 92,156 | 415,907 | 477,222 | 477,222 | 477,222 |
| Total uses | 2,502,186 | 327,567 | 239,719 | 452,248 | 1,170,107 | 1,170,107 | 1,170,107 |

1,789 catch basins in Sherwood connect to the storm water collection and treatment system.

Telecommunications

Telecommunications supports the communication needs of the city, local businesses, school district, and residents. Services within this utility are primarily sold and managed through third party service providers. Currently there are over 40 sites within this network and over 100 miles of fiber optic cable. Telecommunications also support economic development within Sherwood and the surrounding area.

2010-11 Accomplishments

- Maintained steady revenue stream
- Established a relationship with a major Internet Service Provider and we are in the process of reselling services to them.
- Signed a memo of understanding with another fiber provider to bring redundancy to the SBB network at little to no cost to the utility.

2011-2012 Goals, Strategies, Values and Activities

Goal: Economic Development: *The City of Sherwood will promote responsible economic development which benefits the community.*

Strategies:

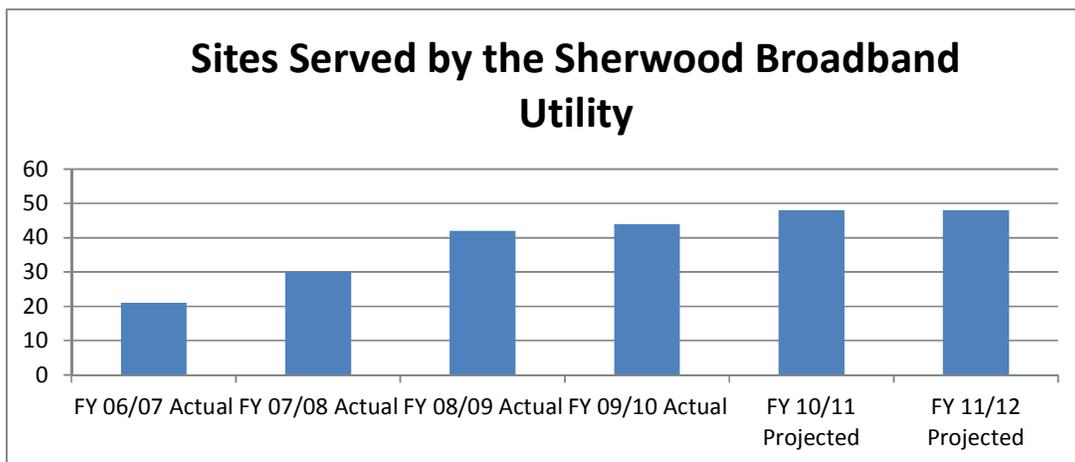
Continue to promote Sherwood Broadband to the Sherwood business community

Activities:

- Continue to involve third party Internet Service Providers
- Integrate Sherwood Broadband into applicable Economic Development activities

Performance Measures

- The number of new customers added each year



ENTERPRISE FUNDS

TELECOMMUNICATIONS FUND

Telecommunications Budget

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ (754,604) | \$ 25,342 | \$ 24,368 | \$ 56,253 | \$ 134,125 | \$ 134,125 | \$ 134,125 |
| Revenue | | | | | | | |
| Intergovernmental | - | 12,000 | - | - | - | - | - |
| Charges for services | 151,999 | 186,798 | 243,192 | 200,000 | 278,000 | 278,000 | 278,000 |
| Fines, interest and other | 72 | 229 | 240 | 240 | 12,000 | 12,000 | 12,000 |
| Total revenue | 152,071 | 199,028 | 243,432 | 200,240 | 290,000 | 290,000 | 290,000 |
| Other sources | | | | | | | |
| Transfers in | 950,000 | - | 25,500 | 25,500 | 10,000 | 10,000 | 10,000 |
| Total other sources | 950,000 | - | 25,500 | 25,500 | 10,000 | 10,000 | 10,000 |
| Total sources | 347,468 | 224,370 | 293,300 | 281,993 | 434,125 | 434,125 | 434,125 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 29,459 | 12,504 | 34,916 | 11,185 | 17,724 | 17,724 | 17,724 |
| Payroll taxes | 2,904 | 1,101 | 3,312 | 950 | 1,561 | 1,561 | 1,561 |
| Benefits | 8,819 | 3,604 | 11,819 | 3,665 | 7,164 | 7,164 | 7,164 |
| Total personal services | 41,181 | 17,209 | 50,047 | 15,800 | 26,449 | 26,449 | 26,449 |
| Materials and services | | | | | | | |
| Professional & technical | 76,097 | 31,874 | 24,992 | 23,992 | 10,040 | 10,040 | 10,040 |
| Facility and equipment | 50,174 | 42,003 | 20,324 | 26,824 | 37,956 | 37,956 | 37,956 |
| Other purchased services | 29,958 | 43,163 | 15,480 | 31,644 | 31,440 | 31,440 | 31,440 |
| Supplies | 13,325 | 63 | 15,000 | 1,000 | 15,000 | 15,000 | 15,000 |
| Minor equipment | 8,814 | 7,235 | 10,000 | 2,000 | 10,000 | 10,000 | 10,000 |
| Other materials & services | 18,997 | 4,561 | 22,907 | 6,607 | 12,644 | 12,644 | 12,644 |
| Total materials & services | 197,364 | 128,899 | 108,703 | 92,067 | 117,080 | 117,080 | 117,080 |
| Capital outlay | | | | | | | |
| Infrastructure | 55,610 | 22,010 | - | - | - | - | - |
| Furniture and equipment | 27,971 | - | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Total capital outlay | 83,580 | 22,010 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Debt service | | | | | | | |
| Total debt service | - | - | - | - | - | - | - |
| Total expenditures | 322,126 | 168,117 | 198,750 | 147,867 | 183,529 | 183,529 | 183,529 |
| Other uses | | | | | | | |
| Transfers out | - | - | - | - | 200,000 | 200,000 | 200,000 |
| Ending Fund Balance | 25,342 | 56,253 | - | - | - | - | - |
| Contingency | | | 94,550 | 134,125 | 50,597 | 50,597 | 50,597 |
| Total uses | 347,468 | 224,370 | 293,300 | 281,993 | 434,125 | 434,125 | 434,125 |

In the last 365 days Sherwood Broadband has delivered 6.64 GB's of Internet bandwidth to the City of Sherwood.

6.64 Gigabits works out to be 6,639.35 Megabits for the year. That's 829,918,750 bytes, or 6,639,350,000 bits of Internet bandwidth.

This means that each employee uses an average of 84,042,405 bits of Internet bandwidth last year.

FY11-12 General Construction Capital Projects

The General Construction Fund accounts for the acquisition and construction of capital assets that are not financed by Enterprise Funds. It includes city buildings, parks, sports fields, recreational facilities and trails.

There is no General Construction projects budgeted for fiscal year 2011-12.

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 711,230 | \$ 959,507 | \$ 145,712 | \$ 85,089 | \$ 347,783 | \$ 347,783 | \$ 347,783 |
| Revenue | | | | | | | |
| Intergovernmental | 5,000 | 291,317 | 133,522 | 290,517 | - | - | - |
| Charges for services | - | - | 24,600 | - | - | - | - |
| Infrastructure development | 1,012,409 | 124,903 | 439,992 | 100,000 | 100,000 | 100,000 | 100,000 |
| Fines, interest and other | 29,254 | 22,949 | 6,840 | 25,290 | 24,750 | 24,750 | 24,750 |
| Total revenue | 1,046,663 | 439,169 | 604,954 | 415,807 | 124,750 | 124,750 | 124,750 |
| Other sources | | | | | | | |
| Transfers in | 154,207 | 49,252 | 250,000 | 250,000 | - | - | - |
| Total other sources | 154,207 | 49,252 | 250,000 | 250,000 | - | - | - |
| Total sources | 1,912,100 | 1,447,928 | 1,000,666 | 750,896 | 472,533 | 472,533 | 472,533 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 58,813 | 34,902 | 55,602 | 55,566 | - | - | - |
| Payroll taxes | 4,930 | 2,888 | 5,882 | 5,578 | - | - | - |
| Benefits | 20,913 | 12,163 | 16,553 | 16,893 | - | - | - |
| Total personal services | 84,656 | 49,953 | 78,037 | 78,036 | - | - | - |
| Materials and services | | | | | | | |
| Professional & technical | 229,249 | - | - | - | - | - | - |
| Other purchased services | 1,894 | 200 | 204 | 204 | - | - | - |
| Community activities | 48 | - | - | - | - | - | - |
| Minor equipment | 750 | - | - | - | - | - | - |
| Other materials & services | 61,541 | 36,399 | 65,352 | 61,507 | - | - | - |
| Total materials & services | 293,482 | 36,598 | 65,556 | 61,711 | - | - | - |
| Capital outlay | | | | | | | |
| Infrastructure | - | 521,989 | 319,050 | 214,761 | - | - | - |
| Total capital outlay | - | 521,989 | 319,050 | 214,761 | - | - | - |
| Debt service | | | | | | | |
| Principal | 505,960 | 522,250 | 34,830 | 34,830 | 36,120 | 36,120 | 36,120 |
| Interest | 49,680 | 32,049 | 13,774 | 13,774 | 12,021 | 12,021 | 12,021 |
| Total debt service | 555,640 | 554,299 | 48,604 | 48,604 | 48,141 | 48,141 | 48,141 |
| Total expenditures | 933,779 | 1,162,839 | 511,247 | 403,112 | 48,141 | 48,141 | 48,141 |
| Other uses | | | | | | | |
| Transfers out | 18,814 | 200,000 | - | - | - | - | - |
| Ending Fund Balance | 959,507 | 85,089 | - | - | - | - | - |
| Contingency | | | 489,419 | 347,783 | 424,392 | 424,392 | 424,392 |
| Total uses | 1,912,100 | 1,447,928 | 1,000,666 | 750,896 | 472,533 | 472,533 | 472,533 |

APPENDICES**PERSONNEL AND MONTHLY SALARY SCHEDULE****Personnel FTE Comparison to Prior Year**

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Projected | 2011-12 Budget |
|-------------------------|-------------------|-------------------|----------------------|-------------------|
| Administration | 13.2 | 14.0 | 15.6 | 16.4 |
| Community Development | 11.5 | 10.2 | 9.5 | 8.8 |
| Public Safety | 24.9 | 24.6 | 24.6 | 26.0 |
| Community Services | 12.7 | 13.3 | 13.4 | 13.1 |
| Public Works Operations | 9.5 | 9.2 | 11.4 | 12.0 |
| General Fund Total | 71.9 | 71.3 | 74.4 | 76.4 |
| Water Operations | 2.5 | 9.1 | 7.8 | 7.8 |
| Water Capital | 0.9 | 0.7 | 0.7 | 0.4 |
| Water Fund Total | 3.4 | 9.8 | 8.4 | 8.2 |
| Sanitary Operations | 1.8 | 1.9 | 2.7 | 2.6 |
| Sanitary Capital | 0.3 | 1.3 | 1.3 | 1.5 |
| Sanitary Fund Total | 2.1 | 3.3 | 4.0 | 4.1 |
| Storm Operations | 2.7 | 3.1 | 4.4 | 4.0 |
| Storm Capital | 0.7 | 0.2 | 0.2 | 0.6 |
| Storm Fund Total | 3.3 | 3.3 | 4.6 | 4.7 |
| Street Operations | 3.2 | 2.9 | 4.2 | 4.1 |
| Street Capital | 1.4 | 0.9 | 1.8 | 2.0 |
| General Construction | 1.1 | 0.6 | 0.9 | - |
| Telecom | 0.4 | 0.2 | 0.2 | 0.3 |
| URA Operations | 1.2 | 1.1 | 1.0 | 0.8 |
| URA Capital | 0.1 | 0.4 | 0.5 | 0.5 |
| Total | 88.1 | 93.8 | 99.9 | 100.9 |

Changes to personnel for FY 2011-12

| | | |
|----------------|---|------------|
| Administration | Eliminate the Senior Accountant position | (1) |
| Building | Eliminate the Plumbing Inspector position | (1) |
| Public Safety | Eliminate the Emergency Management position | (1) |
| Public Safety | Add a School Resource Officer | 1 |
| | Total changes to personnel for FY2011-12 | <u>(2)</u> |

Management/Supervisory/Confidential

| Position | Group Range | Minimum Hourly | Maximum Hourly | Minimum Monthly | Maximum Monthly |
|--|--------------------|----------------|----------------|-----------------|-----------------|
| Admin Asst III - Confidential | A1 | 18.23 | 23.34 | 3,160 | 4,045 |
| Program/Project Supervisor I Payroll Tech | A2 | 20.05 | 25.67 | 3,476 | 4,450 |
| Program/Project Supervisor II | B | 22.06 | 28.23 | 3,823 | 4,894 |
| PW Operations Supervisor Supervising Librarian Emergency Management Coord. Recreation Coordinator Program Analyst Program Project Manager I | C | 24.25 | 31.05 | 4,204 | 5,381 |
| Program Project Manager II Accounting Supervisor Water Operations Supervisor Engineering Associate II System Administrator | D | 26.45 | 33.85 | 4,584 | 5,868 |
| Civil Engineer Police Sgt (non-exempt) Planning Manager | E | 28.83 | 36.90 | 4,997 | 6,397 |
| Building Official Library Manager | F | 31.13 | 39.85 | 5,396 | 6,907 |
| Human Resource Manager Police Captain Economic Development Manager | G | 33.62 | 43.03 | 5,827 | 7,459 |
| City Engineer Community Services Director | H | 35.97 | 46.05 | 6,235 | 7,981 |
| IT Director Community Develop Director Finance Director Public Works Director | I | 38.49 | 49.27 | 6,672 | 8,541 |
| Police Chief | J | 41.19 | 52.72 | 7,139 | 9,139 |
| City Manager City Recorder Municipal Judge | Contract Employees | | | | |

APPENDICES**PERSONNEL AND MONTHLY SALARY SCHEDULE****AFSCME Represented**

| Position | Group Range | Minimum Hourly | Maximum Hourly | Minimum Monthly | Maximum Monthly |
|---|-------------|----------------|----------------|-----------------|-----------------|
| Library Page 1 Recreational Assistant | 1 | 10.53 | 13.48 | 1,871 | 2,336 |
| Library Page 2 | 2 | 12.32 | 15.77 | 2,135 | 2,734 |
| Admin Asst I Library Asst I Recreation Specialist | 3 | 14.17 | 18.14 | 2,457 | 3,145 |
| Admin Asst II Library Asst II Maintenance Worker I | 4 | 16.01 | 20.50 | 2,775 | 3,553 |
| Admin Asst III Maintenance Worker II Engineering Tech I | 5 | 17.77 | 22.75 | 3,081 | 3,943 |
| Finance Tech Code Compliance/Evidence Tech Department/Program Coordinator Maintenance Worker III Permit Specialist Public Works Tech Mechanic | 6 | 19.55 | 25.03 | 3,389 | 4,338 |
| Assistant Planner Librarian Maintenance Worker Lead Accountant Court Administrator | 7 | 21.31 | 27.27 | 3,693 | 4,727 |
| Associate Planner Engineering Associate I Inspector I | 8 | 23.22 | 29.73 | 4,026 | 5,153 |
| Inspector II | 9 | 25.08 | 32.11 | 4,348 | 5,566 |
| Senior Planner | 10 | 26.85 | 34.36 | 4,653 | 5,957 |

SPOA Represented

| Position | Group Range | Minimum Hourly | Maximum Hourly | Minimum Monthly | Maximum Monthly |
|----------------|-------------|----------------|----------------|-----------------|-----------------|
| Police Officer | 1 | 23.80 | 30.47 | 4,125 | 5,281 |

In 2010 Sherwood Police Officers made 32 drug arrests. The ages of those arrested ranged from 14-54.

The City of Sherwood Police Department is one of the top 5 fundraisers in the State of Oregon for Special Olympics.

Description of Long-Term Debt

All debt with repayment terms in excess of one year is shown on the following schedule. Debt, which the City plans to issue in fiscal year 2011-12, is shown, and debt service on planned loans is budgeted.

The debt is in two sections. The first section is City debt independent of the URA. This includes general obligation bonds and loans paid from City resources. The second section is City loans for Urban Renewal Agency projects. There are intergovernmental agreements for the URA to reimburse the City for debt service on these loans. For all debt to outside parties, "debt service expenditures to maturity" represents principal and interest payments, both of which appear as expenditures in the budget.



APPENDICES

LONG TERM DEBT

Debt Service Expenditures to Maturity

| | General Obligation Bonds | | City Loans | | |
|----------------------------|---------------------------------|---------------------------------------|-------------------|----------------------|--|
| | 2004 A&B Refunding | 2011 Police Facility Refunding | 2001 YMCA | | 2002 Public Works & Fieldhouse |
| Original Amount | \$ 6,045,000 | \$ 2,305,000 | \$ 1,461,740 | \$ 508,260 | \$ 1,900,000 |
| Balance at 6/30/11 | 3,315,000 | 2,305,000 | 712,320 | 247,680 | 287,587 |
| Payment Source | Property taxes | | Rent of Building | Parks SDC's | Unrestricted & Rates |
| Paying Fund | Debt Service | | General | General Construction | General, Water, Sanitary, Storm, and Streets |
| Year Ending June 30 | | | | | |
| 2012 | 619,238 | 268,659 | 138,451 | 48,141 | 238,110 |
| 2013 | 622,825 | 269,800 | 140,442 | 48,833 | 59,476 |
| 2014 | 621,419 | 270,550 | 138,347 | 48,104 | - |
| 2015 | 623,194 | 271,200 | 139,580 | 48,533 | - |
| 2016 | 628,594 | 270,625 | 136,714 | 47,537 | - |
| 2017 | 622,500 | 268,800 | 137,033 | 47,647 | - |
| 2018 | - | 271,750 | - | - | - |
| 2019 | - | 269,475 | - | - | - |
| 2020 | - | 270,700 | - | - | - |
| 2021 | - | 270,300 | - | - | - |
| 2022 | - | - | - | - | - |
| 2023 | - | - | - | - | - |
| 2024 | - | - | - | - | - |
| 2025 | - | - | - | - | - |
| 2026 | - | - | - | - | - |
| 2027 | - | - | - | - | - |
| 2028 | - | - | - | - | - |
| 2029 | - | - | - | - | - |
| 2030 | - | - | - | - | - |
| 2031 | - | - | - | - | - |
| 2032 | - | - | - | - | - |
| 2033 | - | - | - | - | - |
| 2034 | - | - | - | - | - |
| 2035 | - | - | - | - | - |
| 2036 | - | - | - | - | - |
| | \$ 3,737,770 | \$ 2,701,859 | \$ 830,567 | \$ 288,795 | \$ 297,586 |

APPENDICES

LONG TERM DEBT

Debt Service Expenditures to Maturity

City Loans

| | 2008 SDW Water Reservoir | 2009 Stella Olsen Culvert | 2009 SDW Water Pipeline | 2011 Bonds for Water | Total City Debt Exclusive of URA |
|----------------------------|-------------------------------------|--|--|---------------------------------|---|
| Original Amount | \$ 6,000,000 | \$ 500,000 | \$ 6,000,000 | \$ 14,165,000 | \$ 30,535,000 |
| Balance at 6/30/11 | 5,788,921 | 285,743 | 6,000,000 | 14,165,000 | 27,487,251 |
| Payment Source | Water Rates | Storm Rates | Water Rates | Water Rates | |
| Paying Fund | Water | Storm | Water | Water | |
| Year Ending June 30 | | | | | |
| 2012 | 424,079 | 109,441 | 434,870 | 637,242 | 2,032,346 |
| 2013 | 424,079 | 109,441 | 434,870 | 979,319 | 2,198,473 |
| 2014 | 424,079 | 82,081 | 434,870 | 981,619 | 2,111,114 |
| 2015 | 424,079 | - | 434,870 | 978,719 | 2,027,796 |
| 2016 | 424,079 | - | 434,870 | 980,719 | 2,025,935 |
| 2017 | 424,079 | - | 434,870 | 977,519 | 2,023,165 |
| 2018 | 424,079 | - | 434,870 | 980,069 | 1,841,036 |
| 2019 | 424,079 | - | 434,870 | 977,169 | 1,838,137 |
| 2020 | 424,079 | - | 434,870 | 979,569 | 1,840,538 |
| 2021 | 424,079 | - | 434,870 | 981,169 | 1,842,139 |
| 2022 | 424,079 | - | 434,870 | 981,969 | 1,842,940 |
| 2023 | 424,079 | - | 434,870 | 981,969 | 1,842,941 |
| 2024 | 424,079 | - | 434,870 | 980,719 | 1,841,692 |
| 2025 | 424,079 | - | 434,870 | 978,719 | 1,839,693 |
| 2026 | 424,079 | - | 434,870 | 980,919 | 1,841,894 |
| 2027 | 424,079 | - | 434,870 | 981,375 | 1,842,351 |
| 2028 | 424,079 | - | 434,870 | 980,025 | 1,841,002 |
| 2029 | 424,079 | - | 434,870 | 976,806 | 1,837,784 |
| 2030 | 424,079 | - | 434,870 | 977,494 | 1,838,473 |
| 2031 | - | - | 425,845 | 980,994 | 1,408,870 |
| 2032 | - | - | - | 977,000 | 979,032 |
| 2033 | - | - | - | 978,750 | 980,783 |
| 2034 | - | - | - | 978,500 | 980,534 |
| 2035 | - | - | - | 981,250 | 983,285 |
| 2036 | - | - | - | 981,750 | 983,786 |
| | \$ 8,057,501 | \$ 300,963 | \$ 8,688,375 | \$ 24,151,348 | \$ 42,665,735 |

APPENDICES

LONG TERM DEBT

Debt Service Expenditures to Maturity

| | City Loans for Sherwood Urban Renewal Agency Projects | | | | |
|---------------------|--|---------------------|-------------------|---------------------|---------------------|
| | | | 2005 Old | | |
| | 2003 Civic | 2003 | 2004 Land | School & | 2006 |
| | Building | OECD | Purchase | Sports | Downtown |
| | Building | OECD | Purchase | Field | Streets |
| Original Amount | \$ 2,435,000 | \$ 5,845,708 | \$ 350,000 | \$ 830,000 | \$ 1,800,000 |
| Balance at 6/30/11 | 580,000 | 4,254,561 | 105,000 | 568,000 | 1,376,005 |
| Payment Source | URA property taxes | | | | |
| Paying Fund | Urban Renewal Agency | | | | |
| Year Ending June 30 | | | | | |
| 2012 | 305,590 | 438,486 | 39,681 | 80,336 | 175,396 |
| 2013 | 305,473 | 435,853 | 37,809 | 78,769 | 175,416 |
| 2014 | - | 437,879 | 35,983 | 80,145 | 175,398 |
| 2015 | - | 434,138 | - | 80,314 | 175,396 |
| 2016 | - | 434,738 | - | 79,334 | 175,386 |
| 2017 | - | 434,938 | - | 80,239 | 175,396 |
| 2018 | - | 434,483 | - | 80,657 | 175,395 |
| 2019 | - | 438,353 | - | 80,487 | 175,386 |
| 2020 | - | 436,313 | - | 79,830 | 175,397 |
| 2021 | - | 438,553 | - | - | 175,398 |
| 2022 | - | 434,828 | - | - | 43,849 |
| 2023 | - | 435,496 | - | - | - |
| 2024 | - | 435,234 | - | - | - |
| 2025 | - | - | - | - | - |
| 2026 | - | - | - | - | - |
| 2027 | - | - | - | - | - |
| 2028 | - | - | - | - | - |
| 2029 | - | - | - | - | - |
| 2030 | - | - | - | - | - |
| 2031 | - | - | - | - | - |
| 2032 | - | - | - | - | - |
| 2033 | - | - | - | - | - |
| 2034 | - | - | - | - | - |
| 2035 | - | - | - | - | - |
| 2036 | - | - | - | - | - |
| | \$ 611,063 | \$ 5,669,292 | \$ 113,473 | \$ 720,111 | \$ 1,797,813 |

APPENDICES

LONG TERM DEBT

Debt Service Expenditures to Maturity

City Loans for Sherwood Urban Renewal Agency Projects

| | 2006 Downtown Streets | 2010 Streets & Cannery | 2010 Cannery | Total Debt on behalf of URA | Total Debt to Outside Parties |
|------------------------|--------------------------------------|---|-------------------------|--|--|
| Original Amount | \$ 6,400,000 | \$ 7,065,000 | \$ 8,500,000 | \$ 33,225,708 | \$ 72,110,708 |
| Balance at 6/30/11 | 5,538,077 | 6,820,000 | 1,812,916 | 21,054,559 | 54,161,810 |
| URA property taxes | | | | | |
| Urban Renewal Agency | | | | | |
| Year Ending June 30 | | | | | |
| 2012 | 483,820 | 554,820 | - | 2,078,129 | 4,996,360 |
| 2013 | 485,419 | 553,345 | 425,000 | 2,497,084 | 5,586,169 |
| 2014 | 481,619 | 551,360 | 425,000 | 2,187,384 | 5,188,453 |
| 2015 | 482,619 | 553,865 | 425,000 | 2,151,332 | 5,071,507 |
| 2016 | 483,219 | 555,605 | 425,000 | 2,153,282 | 5,076,420 |
| 2017 | 483,419 | 551,580 | 425,000 | 2,150,572 | 5,063,020 |
| 2018 | 483,220 | 552,045 | 425,000 | 2,150,800 | 4,261,568 |
| 2019 | 482,619 | 551,745 | 425,000 | 2,153,590 | 4,259,183 |
| 2020 | 481,619 | 555,680 | 425,000 | 2,153,839 | 4,263,057 |
| 2021 | 484,863 | 553,595 | 425,000 | 2,077,409 | 4,187,827 |
| 2022 | 482,263 | 555,768 | 425,000 | 1,941,708 | 3,782,626 |
| 2023 | 484,088 | 553,563 | 425,000 | 1,898,147 | 3,739,065 |
| 2024 | 485,276 | 550,660 | 425,000 | 1,896,170 | 3,735,838 |
| 2025 | 480,656 | 552,060 | 425,000 | 1,457,716 | 3,295,384 |
| 2026 | 485,343 | 552,530 | 425,000 | 1,462,873 | 3,302,741 |
| 2027 | 484,156 | 552,070 | 425,000 | 1,461,226 | 3,301,550 |
| 2028 | - | 555,680 | 425,000 | 980,680 | 2,819,654 |
| 2029 | - | 553,128 | 425,000 | 978,128 | 2,813,883 |
| 2030 | - | 554,645 | 425,000 | 979,645 | 2,816,088 |
| 2031 | - | - | 425,000 | 425,000 | 1,831,839 |
| 2032 | - | - | 425,000 | 425,000 | 1,402,000 |
| 2033 | - | - | - | - | 978,750 |
| 2034 | - | - | - | - | 978,500 |
| 2035 | - | - | - | - | 981,250 |
| 2036 | - | - | - | - | 981,750 |
| | \$ 7,734,218 | \$ 10,513,744 | \$ 8,500,000 | \$ 35,659,714 | \$ 84,714,479 |

Debt Margin

| | |
|---|-------------------------|
| Total assessed value on January 1 2010: | <u>\$ 1,478,503,863</u> |
| Debt limitation: 3% of total assessed value | 44,355,116 |
| Debt outstanding at July 30, 2011: | |
| General obligation bonds outstanding | \$ 5,690,000 |
| Less amount available for repayment of general obligation bonds | <u>(2,142)</u> |
| Net debt outstanding that is subject to limitation | <u>5,687,858</u> |
| Amount of general obligation bonds that could be issued | <u>38,667,258</u> |

Transfers

| <u>Transfer from:</u> | <u>Transfer to:</u> | | | | | |
|-----------------------|-----------------------|----------------------|----------------------|----------------------|------------------------|-----------------------|
| Fund | General Fund | Water Fund | Sanitary Fund | Storm Fund | Street Operations Fund | Street Capital Fund |
| 1 General | | | | | 200,000 | |
| 2 Telecom | 200,000 | | | | | |
| 3 Asset Depreciation | 53,998 | 25,000 | 50,000 | 60,000 | 29,000 | |
| 4 Water | | | | | | 230,000 |
| 4 Sanitary | | | | | | 323,900 |
| 4 Storm | | | | | | 230,000 |
| 5 Telecom | | 10,000 | | | | |
| Total | <u>\$ 253,998</u> | <u>\$ 35,000</u> | <u>\$ 50,000</u> | <u>\$ 60,000</u> | <u>\$ 229,000</u> | <u>\$ 783,900</u> |

Purpose:

- 1 Transfer funds from General fund to Street Operations for pavement management.
- 2 Payment to the General fund on interfund loan.
- 3 Closing the Asset Depreciation fund, returning money to the original funding sources.
- 4 Water, Sanitary, and Storm portions of the Adams and Pine street capital projects.
- 5 Payment to Telecom for the Broadband services used by the Water fund.

City of Sherwood Budget Process

The strategic planning process begins anew each October as the City Manager and Management Team meet to identify assumptions for the long term and update department objectives for the next five years.

The objective throughout the budgeting process is to strive to achieve the City's mission, values, and goals.

The mission statement is: *"The City of Sherwood will provide services and infrastructure to support the highest quality of life for our residents, businesses, and visitors in a fiscally responsible manner."*

Work on the annual budget begins in December, when forecasts for revenues and expenditures for the General Fund and Enterprise Funds are updated. The Capital Improvement Plan is updated for the next five years.

In January the City Council has planning meetings to decide Council goals, priorities, and policies.

After the Council planning meetings, any necessary modifications are made to the departmental objectives articulated earlier.

The Oregon State Department of Revenue has broken down the budget process into nine steps. They are as follows:

1. Appoint Budget Officer - Every local government is required to have a Budget Officer, either appointed by the governing body or designated in its charter.
2. Prepare a Proposed Budget – The Budget Officer is responsible for the preparing of the proposed budget presentation to the Budget Committee.
3. Budget Officer publishes notices – Upon completion of the budget a "Notice of Budget Committee Meeting" is advertised either in the local newspaper, by mailing or hand delivery. ORS requires that if the notice is published in a newspaper it must be published at least twice, five to 30 days before the scheduled budget committee meeting, if the notice is mailed or hand delivered, it must be done not later than 10 days prior to the meeting date.
4. Budget Committee Meets – The Budget Officer presents the budget message and the proposed budget document to the Budget Committee for further review.
5. Committee Approves the Budget – When the Budget Committee is satisfied that the proposed budget will meet the needs of the citizens of Sherwood they will forward this to the City Council for adoption.
6. Notice of Hearing and Financial Summary – After the budget is approved, a budget hearing must be held. The Budget Officer must publish a summary of the budget approved by the Budget Committee and notice of budget hearing five to 30 days before the scheduled hearing.
7. Budget Hearing held – The budget hearing must be held by the governing body on the date specified on the public notice and must allow for public testimony.

8. Adopted Budget, Make Appropriations, Levy Taxes – The governing body may make changes in the approved budget before or after it is adopted, but no later than the beginning of the fiscal year to which the budget relates. However, there are limitations to these changes.
 - a. Taxes may not be increased beyond the amount approved by the budget committee.
 - b. Estimated expenditures in a fund may not be increased by more than \$5,000 or 10 percent, whichever is greater.

9. Budget filed and Levy Certified to Assessor – The final step in the budget cycle is to certify any necessary property tax levy.

Budget Calendar

| Event | Lead Person/Group | Date |
|--|-------------------------------------|-------------|
| Draft budget ready for City Manager review | Budget Officer | March 15 |
| Proposed budget to the Budget Committee | Budget Officer | April 18 |
| 1st Budget Committee meeting with public comment | Budget Committee | April 27 |
| 2nd Budget Committee meeting | Budget Committee | May 4 |
| 3rd Budget Committee meeting and budget approval | Budget Committee | May 11 |
| Approved budget delivered to the City Council | Budget Officer | June 1 |
| Public hearing and adoption of the approved budget | City Council | June 7 |
| Adopted budget available | Budget Officer | July 1 |
| Review current year actuals and projections with the Budget Committee. | Budget Officer and Finance Director | December |

Budget Changes after Adoption

By Oregon law, all City funds must be appropriated. Appropriations, the legal authority to spend, are by division in the General, Water, Sanitary, Storm, and Street Funds and by type (e.g. materials and services) for all other funds.

Appropriations may be changed during the fiscal year, within the limitations imposed by budget law. City staff monitors actual events and recommends changes as needed. The City Council makes changes by resolution. Changes are categorized as resolution transfers or supplemental budgets.

A resolution transfer decreases an existing appropriation and increases another by the same amount. A typical example is to reduce contingency and increase materials and services. The second type of change, a supplemental budget, typically creates a new appropriation, funded by increased revenues. Supplemental budgets are used for occurrences or conditions which were not known at the time the budget was prepared which require a change in financial planning. Supplemental budgets require a public hearing; resolution transfers do not. Directors and managers may amend their budgets for individual accounts without Council approval so long as appropriations at the legal level of control are not changed.

Measurement Focus and Basis of Accounting

Consistent with Oregon budget law, the City budgets current financial resources on a modified accrual basis in all funds. The budget shows sources and uses of resources; that is, increases and decreases in the amount available to spend. Ending fund balance represents spendable resources available for the subsequent budget year. This differs from the accounting used by businesses. Businesses measure net income, on an accrual basis.

As a practical matter, the essential differences between governmental and business accounting are the treatment of long-term debt and capital assets:

- When the City borrows money, it records the debt proceeds as a source of resources. Principal payments are recorded as a use. In a business, the debt would not appear in the budget; it would be recorded as a liability, and principal payments would reduce the liability.
- When the City buys a vehicle, building, or other capital asset, the cost is a use of resources. Depreciation is not recorded. In a business, the purchase would not appear in the budget; it would be recorded as an asset. Depreciation expense would be budgeted and recorded over the useful life of the asset.

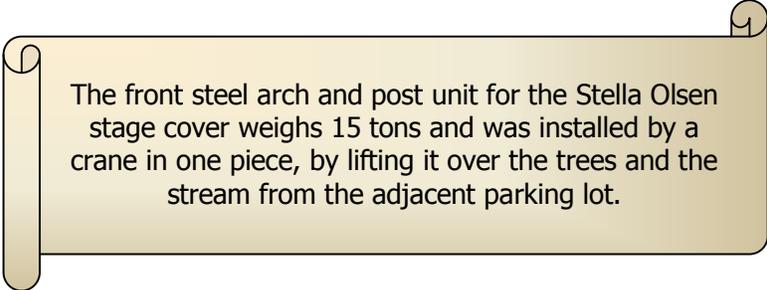
Generally accepted accounting principles (GAAP) for governments require that the enterprise funds be accounted for in the same way as businesses. Consequently, actual results for the enterprise funds are shown on both the budgetary (current financial resources and modified accrual) and GAAP basis (economic resources and accrual) in the City's annual financial report.

2010-11 Budget and 2010-11 Projected

As required by Oregon budget law, the 2010-11 budget columns shows the adopted budget after changes made by the City Council during the year. The 2010-11 projected columns show the latest forecast of activity through June 30, 2011.

Fund Balance and Contingency

Fund balance represents available spendable resources, at the beginning or end of the fiscal year. Oregon budget law provides that the difference between sources and uses for the year be budgeted as un-appropriated ending fund balance or contingency. The City budgets all excesses as contingency. If it is not appropriated during the year, contingency will be the amount of ending fund balance at June 30.



The front steel arch and post unit for the Stella Olsen stage cover weighs 15 tons and was installed by a crane in one piece, by lifting it over the trees and the stream from the adjacent parking lot.

Financial Policies

Purpose

In order to carry out the mission of the City of Sherwood and support the City's values, this set of financial policies has been created by the City of Sherwood.

The purpose of these financial policies is to provide a cohesive long term approach to financial management of the City of Sherwood. These policies establish a means for guiding today's financial decisions in order to achieve the mission of the City of Sherwood in a manner that reflects the City's values.

Goal

The goal of these policies is to provide the financial stability needed to navigate through economic changes, adjust to changes in the service requirements of the community and respond to other changes as they affect the City's residents.

Responsibilities

1. **Stewardship:** The City of Sherwood is a steward of public funds. These funds are entrusted to the City through the payment of taxes, fees, and fund transfers from other governments. The City of Sherwood is responsible for using all funds efficiently and effectively and for the purposes for which they were intended.
2. **Asset Protection:** The assets of the City of Sherwood exist in a variety of forms. All these assets must be protected through an effective accounting and internal control System. The System must track assets and document the costs of acquisition, maintenance, and replacement.
3. **Legal Conformance:** The City of Sherwood is subject to federal, state, and local statutes and rules regarding purchasing, entering into debt, budgeting, accounting, and auditing: regulations that govern virtually all financial transactions. The City also voluntarily enters into contracts which include significant financial and operational covenants. The City of Sherwood is responsible for conforming to laws, rules, and covenants to which it is subject.
4. **Standards:** The Government Finance Officers Association (GFOA) and the Governmental Accounting Standards Board (GASB) set polices and guidelines for public sector accounting and financial reporting. The City of Sherwood is responsible for adhering to the requirements of these organizations and for seeking guidance from policies, standards and best practices set forth by these organizations.
5. **Authority:** The Sherwood City Council is the sole authority for deleting, modifying, or adding to these policies. Every two years the Council shall engage the Budget Committee to review and update these policies'

Financial Policies**Policy I. Funds**

1. The City of Sherwood will maintain an orderly and logical fund structure that provides stakeholders with ready access to financial information
2. The City of Sherwood will conform to Generally Accepted Accounting Principles (GAAP) and the Government Finance Officers Association's best practices for establishing and maintaining funds.
3. The City of Sherwood will establish and maintain those funds required by law and sound financial administration. Acknowledging that unnecessary funds result in inflexibility, complexity, and inefficient financial administration, only the minimum number of funds consistent with legal and operating requirements will be established.
4. The criteria for establishing a new fund are variable, but include triggers such as;
 - a. Inauguration of a new dedicated revenue stream and a concurrent service.
 - b. The need for increased clarity of financial information.
 - c. The establishment of a new enterprise.
 - d. Covenants embodied in financing agreements.
 - e. Changes in state law or financial management/accounting standards
5. Only the Sherwood City Council has the authority to create or delete funds. The Council shall create or delete funds by resolution.

Policy II Budgeting

1. The City of Sherwood budget process shall consist of activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital assets.
2. The purpose of the budget process is to help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process.
3. The City of Sherwood budget process shall:
 - a. Incorporate a long term perspective (minimum three fiscal years)
 - b. Establish linkages to broad organizational goals
 - c. Focus budget decisions on results and outcomes
 - d. Involve and promote effective communication with stakeholders
4. All budgetary procedures will conform to existing state and local regulations. Oregon budget law requires each local government to prepare a balanced budget and Oregon Administrative Rules state:
 - a. The budget must be constructed in such a manner that the total resources in a fund equal the total of expenditures and requirements for that fund, and
 - b. The total of all resources of the municipality must equal the total of all expenditures and all requirements for the municipality.

Financial Policies

5. A cost allocation plan will be developed and incorporated into the City of Sherwood budget. The cost allocation plan will be the basis for distribution of general government and internal service costs to other funds, divisions, and capital projects.
6. The Sherwood City Council shall adopt the budget at the fund, departmental or program level (as appropriate to each fund) as a total dollar amount for all appropriations except contingency, unappropriated ending fund balance and reserves, which shall be stated separately.
7. Interfund Transfers shall be kept to a minimum. Interfund loans shall be documented in a resolution that cites the terms of the loan.
8. As part of the annual budget process the City of Sherwood will maintain a three year revenue and expenditure forecast. This forecast will be created using an objective, analytical process incorporating applicable projections from the State of Oregon's latest Economic Forecast and conservative assumptions where State developed data is not available. Revenues will be estimated realistically and prudently using best practices as defined by the Government Finance Officers Association. Revenues shall be forecasted conservatively.
9. Oregon budget law provides a means to adjust the budget for emergency expenditures or unforeseen circumstances. All resolutions adjusting the budget will be prepared by the Finance department for City Council approval to ensure compliance with budget laws.
10. Prior to submittal to City Council, the Budget Officer will convene the Budget Committee to review supplemental budget resolutions. If time does not allow for this action, Budget Committee members shall be informed of the City Council's action on the resolution promptly.
11. A mid-year review process will be conducted by the City Manager and Finance Director in order to make any necessary adjustments to the adopted budget.
12. In the City's effort to strive for excellence, the City of Sherwood will make every effort to obtain the Award for Distinguished Budget Presentation from the Government Finance Officers Association (GFOA).
13. Reports comparing actual to budgeted expenditures will be prepared quarterly by the Finance Department and distributed to the City Council, City Manager and Department Directors.

Policy III Revenue

1. City of Sherwood revenues are either unrestricted or dedicated. Unrestricted revenues can be used for any purpose. Dedicated revenues are restricted in the ways they can be used by federal or state regulations, contractual obligations, or by City Council action. The City of Sherwood will adhere to the restrictions applied to dedicated revenues.
2. The City of Sherwood will maintain a diversified revenue stream that is managed strategically to mitigate the impact of short term fluctuations in any revenue source.
3. The City of Sherwood will identify sustainable revenue levels and, to the extent possible, current operations will be funded by current sustainable revenues.
4. One-time revenues will be used for one-time expenditures or as contributions to reserves and will not be used to pay for established services.

Financial Policies

5. The City of Sherwood will not respond to long-term revenue shortfalls with deficit financing and borrowing to support established services. Expenses will be reduced and/or revenues will be increased to conform to the long-term revenue forecasts
6. During the budget process, the Sherwood City Council will identify those programs which are to be supported in whole by cost recovery and ensure that revenue collections reflect the cost of providing associated services by adjusting fees accordingly.
7. The City of Sherwood will charge fees for services where such an approach is permissible, and where a limited and specific group of beneficiaries who can pay such charges is identifiable.
8. New or expanded unrestricted revenue streams should first be applied to support existing programs. When existing programs are adequately funded, such revenue may be used as contributions to reserves or to fund new or expanded programs.

Policy IV Expenditures**Controls**

1. By resolutions, the City Council will establish a purchasing policy that conforms to state statutory requirements for purchasing and contracting and invests the City Manager with purchasing and contracting authority.
2. By Budget and Supplemental Budget Resolutions, the City Council shall establish and limit expenditure appropriations by statutory categories. The City Manager shall be responsible for limiting expenditures to those appropriation levels.

Specific Expenditures

1. **Personal Services.** Pursuant to the City Charter, the City Manager or designee is responsible for the management of employee staffing and compensation. The City Manager or designee shall negotiate salaries and benefits for represented employee groups in conformance with the Oregon Public Employees Collective Bargaining Act and the Employee Relations Board decisions and arbitration decisions that emanate from the Act.
2. **Capital Improvement Impacts.** Whenever Capital Improvement expenditures will result in increases to future operating expenses or asset replacement contributions, estimates of those impacts shall be incorporated into the long term financial plan.
3. **Capital Outlay.** By resolution the City Council shall define the characteristics of a capital asset by specifying the minimum purchase price and minimum term of service. The City will provide for adequate maintenance of Capital Assets. The City will make annual contributions to the Asset Depreciation Fund to ensure that monies will be available as needed to replace Capital Assets.
4. **Capital Improvement Plan.** The City Manager or designee will prepare a five-year Capital Improvement Plan (CIP) annually and submit it to the City Council for approval via resolution.

Financial Policies

Policy V. Revenue Constraints and Fund Balance

Nature of Constraints

The City of Sherwood will maintain the following categories of revenue constraints in conformance with GASB 54. Fund Balances shall be accounted for on the basis of these categories.

1. **Non-spendable.** Assets that are not in a spendable form or are required to be maintained intact.
2. **Restricted.** Cash that can be spent only for specific purposes stipulated by third parties or by statutes. Only the constraining party can lift constraints on Restricted funds.
3. **Committed.** Cash that can be used only as directed by formal action of City Council. Council action may be in the form of a motion or resolution. Only the City Council can lift constraints on committed funds. Such a change must be made using the same action that established the constraint.
4. **Assigned.** Cash the City intends to use for specific purposes. The City Council delegates the authority to create this constraint to the City Manager. In addition, for all funds except the general fund, all cash not in one of the Non-spendable, Restricted, or Committed categories, or specifically assigned under this category will, by default be assigned to this category.
5. **Unassigned.** General Fund cash that is not otherwise categorized fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications.

Other Considerations

1. **Stabilization.** The purpose of stabilization arrangements is to provide a revenue source to maintain service delivery during periods of diminished revenues. The City may choose to create stabilization arrangements either by creating new funds or dedicating revenues within existing funds. Stabilization arrangements will be created by the City Council and the authorizing legislation shall include the policies on funding and accessing the arrangement.
2. **Order of Use.** If multiple categories of fund balance are applicable to an expenditure, the City shall access funds in the following order: Restricted, Committed, Assigned, Unassigned.
3. **Purpose of Special Revenue Funds.** Special Revenue funds are general government funds created to track the use of dedicated revenues. The City legislation creating a special revenue fund will specify which specific revenues and other resources are authorized to be reported in the fund.
4. **Fund Balance.** Unrestricted fund balance is the sum of Committed, Assigned and Unassigned fund balance in any individual fund. In the General Fund, the City will maintain an Unrestricted fund balance of at least ten percent of fund revenue and will strive to increase that amount by 1.5% annually to a goal of 20%.

Debt***Operating loans***

The City will borrow only to finance capital assets. The City will not borrow for operating purposes.

Debt

No bonds will mature more than 20 years from the date of issuance. No debt will be issued with a life exceeding the estimated useful life of the capital assets being financed. The City will limit bonded debt to 3% or less of total assessed value, as required by ORS 287.004. Repayment sources are identified for every debt prior to issuance.

Cash and Investments

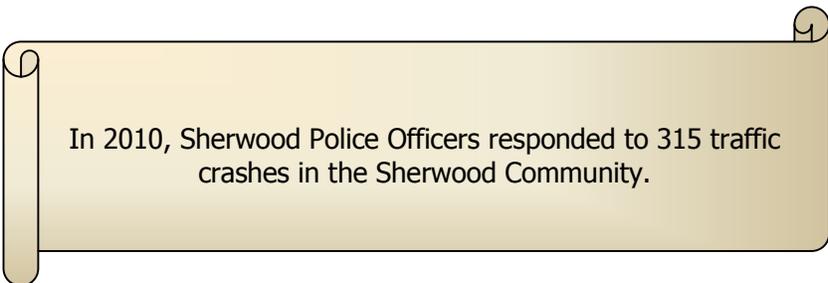
Cash balances are insured and collateralized. Cash in excess of immediate needs is invested in the Oregon State Treasury's Local Government Investment Pool.

Capital Assets

The capital asset inventory is updated annually. Capital asset purchases – items other than those constructed as part of the CIP -- are incorporated in the long-term financial forecasts.

Accounting Structure

The account structure, cost accounting processes, and internal controls are documented.



In 2010, Sherwood Police Officers responded to 315 traffic crashes in the Sherwood Community.

Glossary

Activity - A task, general or specific, undertaken to accomplish objectives, operate programs, or complete projects.

Adopted Budget - The final budget appropriations approved by the City Council, which becomes the budget of the City.

AFSCME - American Federation of State, County and Municipal Employees. One of the union organizations representing the bargaining employees of the City.

Accrual basis - A method of timing in the recognition of transactions and events. Please see Modified accrual basis for the alternative method. Accrual basis records revenue when earned and expenses as soon as a liability is incurred.

Approved Budget – The budget recommended by the Budget Committee for adoption by the City Council.

Appropriation - Authorization to spend a specific amount of money. The City Council gives appropriation authority by adopting the budget.

Assessed value - The value set on real and personal property as a basis for imposing taxes. Assessed values are determined by Washington County.

Budget – A plan of financial operation embodying an estimate of proposed expenditures for a given purpose and/or period. The budget is the financial plan of the City's allocations of the resources to provide services, and to accomplish the City's objectives.

Budget Calendar – The schedule of key dates, or events which a government follows in the preparation and adoption of the budget.

Budget Committee - A committee required by Oregon Local Budget Law (ORS 294.305) which must recommend a budget and approve the maximum tax levy.

Budget Message – A written explanation of the budget and the City's financial priorities presented to the Budget Committee by the City Manager which is required by Oregon Local Budget Law, ORS 294.

Budget Officer - The Finance Director or other person appointed by the City Council to prepare the proposed budget. This designation is required by Oregon Local Budget Law (ORS 294.305)

CAFR - The Comprehensive Annual Financial Report, the audited report of the City's finances for the fiscal year.

Capital Lease - Lease of a capital asset. The lease may or may not result in the City's ownership of the item at the end of the lease term.

Capital Assets - Items which have a useful life of two or more years and a cost of \$5,000 or more. These include land, infrastructure, buildings, improvements other than buildings, vehicles, and certain furniture and equipment.

Capital Budget - The budget for capital projects, as opposed to operations.

Capital Improvement Plan (CIP) - A schedule of planned capital projects and their costs, for three or more years.

Capital Outlay - Expenditures for capital assets. Includes all purchased capital assets. Expenditures for constructed capital projects appear in capital outlay, materials and services, and reimbursements, depending on the nature of the expenditure.

Capital Projects – Projects which purchase or construct capital assets. Typically a capital project encompasses a purchase of land and/or the construction of a building or facility.

COLA - Cost of living. A COLA increases all salaries at all classes and steps by the same percentage.

Contingency - An amount set aside for unforeseen spending that may become necessary. If the contingency is not used, it will be the amount of fund balance at the end of the fiscal year.

CWS - Clean Water Services, the regional sewer treatment entity. CWS is a County Service District, defined by ORS 451. The City of Sherwood owns and operates sewer and storm water pumping and transmission facilities; CWS receives and treats the wastewater.

Debt Service - Principal and interest payments on long-term debt.

Division - An organizational unit with a distinct budget.

Depreciation - Expensing the cost of a capital asset over its useful life.

Department – Units within a division consisting of one or more.

Enterprise Funds - A fund that accounts for operations that are financed and operated in a manner similar to private business enterprises. They are usually self-supporting. The City's enterprise funds are the Water, Sanitary, Storm, Street, and Telecommunications funds.

Fiscal Year - The twelve month period to which the operating budget applies. The City's fiscal year is July 1 through June 30.

Franchise Fee – Fees charged to utilities for the use of public right-of-way.

FTE - Full-Time Equivalent position. A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year.

Fund - A fiscal and accounting entity, segregating resources for the purpose of carrying on specific activities in accordance with legal restrictions.

Fund Balance - The amount of available, spendable, financial resources in any given fund at a specified date.

GASB - The Governmental Accounting Standards Board, the body that defines generally accepted accounting principles for governments.

General Fund – The City's primary operating fund. There are no restrictions as to the purpose in which the revenues in this fund can be used.

General Obligation Bond (G. O. Bond) – A government pledge of full faith and credit to the repayment of the bonds issued by the government. They are usually issued to pay for general capital improvements.

GFOA – Government Finance Officers Association.

GIS - Geographic information system, a computerized mapping program.

Goal – A statement of direction, purpose or intent based on the needs of the community, generally to be completed in a specified amount of time.

Grant – A donation or contribution by one government unit or organization to another. This is usually made to aid a specified purpose.

Infrastructure - Infrastructure are assets that are immovable and of value only to the City. It includes roads, bridges, curbs and gutters, sidewalks, drainage systems, lighting systems, and water and sewer systems.

Interfund Transfer - A loan made by one fund to another and authorized by the City Council.

Levy - The amount of property tax certified by the City Council.

Local Improvement District (LID) - A specific geographic area in which debt service for bonds issued to construct public infrastructure are repaid by assessments on the specific properties benefited by the improvements.

Materials and Services – Expendable items purchased for delivery of services. This includes supplies, repairs, maintenance and replacement parts that are not of capital nature.

Mission – Defines the primary purpose of the City.

Modified Accrual - A method of timing in the recognition of transactions and events. Please see Accrual basis for the alternative method. Modified accrual basis records revenue when earned, if they are collectible within the period or soon enough afterwards to be used to pay liabilities of the period. Expenditures are recorded when a liability is incurred except that debt service payments and other specific accrued liabilities are recognized only when payment is due.

Objective - What we want to accomplish. City-wide objectives are longer term than one year, cross departments, and/or are comprehensive in scope.

Operating Budget - Sources and uses necessary for day-to-day operations.

Ordinance – A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

ORS - Oregon Revised Statutes, laws of the State of Oregon.

PEG - Public, Educational and Governmental Access Channel designations for cable television. Certain franchise fee revenue from cable providers is restricted to the costs of providing such access.

Performance Measure – Data collected to determine how effective or efficient a program is in achieving its objectives.

PERS - Public Employees Retirement System. A State of Oregon defined benefit pension plan to which both employees and employer contribute.

Personal Services - Expenditures for payroll, payroll taxes, and employee benefits.

Phase - A segment of a project, typically defined by set of related activities or a given period of time.

Program - A definable function. Programs may be ongoing or time limited, within or across departments, and relate to single or multiple objectives. Also refers to a cluster of related departments, such as the Community Development program.

Project - Projects are distinct, with a definable result, process, and beginning and end. Projects are capital or operating.

Property Tax Levy – Based upon the assessed value of property and is used as the source of monies to pay general obligation debts and to support the general fund.

PSU - Portland State University. The University prepares populations estimates each July 1 for all Oregon Municipalities.

Reimbursements - Repayments from the funds and departments responsible for particular expenditures to the funds and departments that initially paid for them. Reimbursements increase expenditures in the reimbursing fund and department, and decrease expenditures in the reimbursed fund and department.

Reserve Fund - A fund, defined in Oregon budget law, which accumulates monies from year to year for a specific purpose. The City's Asset Depreciation Fund is a reserve fund.

Resolution – An action by the governing body which requires less formality and has a lower legal status than an ordinance.

Restricted Revenue - Revenue that may be expended only in accordance with limitations imposed by State statute, City Ordinances or Resolutions, or other legal restriction.

Revenue – The gross receipts and receivables that the City receives such as: tax payments, licenses, fines and forfeitures, grants and interest income.

Revenue Bonds – Bonds issued pledging future revenues. Usually water, sewer, or storm drainage charges, to make debt service payments.

System Development Charges (SDC) - Fees charged upon issuance of building permits to offset the cost of infrastructure improvements that are or will be required to provide capacity to serve the development. SDC's are charged for parks, water, sanitary, storm, and streets.

Sources - Financial resources that are or will be available for expenditure during the fiscal year.

SPOA - Sherwood Police Officers' Association union.

Supplemental Budget – Appropriations established to meet the needs not anticipated at the time the budget was adopted.

TIF - Traffic Impact Fee, a regional SDC. TIF's are governed by Washington County, but collected and used on development within Sherwood by the City.

Transfers - Amounts moved from one fund to finance activities in another fund, with no requirement of repayment.

TRNWR - Tualatin River National Wildlife Refuge. The Refuge lies in and outside the northwest edge of Sherwood.

TSP - Transportation System Plan. A long-range plan for transportation needs and facilities.

TVWD - Tualatin Valley Water District, a regional water supplier. TVWD contracted to operate Sherwood's water utility in October 2000. The contract is for 5 years, with renewal options.

UGB - Urban Growth Boundary. A statewide land use designation that limits the geographic spread of certain types of development.

Unrestricted Revenue - Revenue that may be used for any legitimate City purpose. Please refer to "restricted revenue".

URA - The City of Sherwood Urban Renewal Agency. The Agency is a municipal corporation distinct from the City. The Sherwood City Council serves as the Board of Directors for the URA, and its' budget may be obtained from the City of Sherwood.

URD - The urban renewal district, the geographic area encompassed by the City of Sherwood Urban Renewal Agency.

User Charges - A fee charged for services to a person who directly benefits from the service.

Uses - The ways in which financial resources will be used during the fiscal year.

WCCLS - Washington County Cooperative Library Services. This regional entity receives property taxes from each city in the consortium. The money is used to fund county-wide services such as the circulation software and interlibrary loan. A portion is returned to each city based on a formula that includes circulation, open hours, and other service-related measures.

City of Sherwood, Oregon Urban Renewal District

22560 SW Pine Street

Sherwood, OR 97140

Adopted Budget

2011-2012



Budget Committee

Board of Directors

Board Chair
Board President
Board Member
Board Member
Board Member
Board Member
Board Member

Keith Mays
Dave Grant
Bill Butterfield
Robyn Folsom
Linda Henderson
Matt Langer
Dave Luman

Citizens

Chair
Vice Chair
Citizen Member
Citizen Member
Citizen Member
Citizen Member
Citizen Member

Kimberly Rocha-Pearson
Ivonne Pflaum
Irene Baker
Timothy Carkin
Perry Francis
Steve Munsterman
Lynette Waller

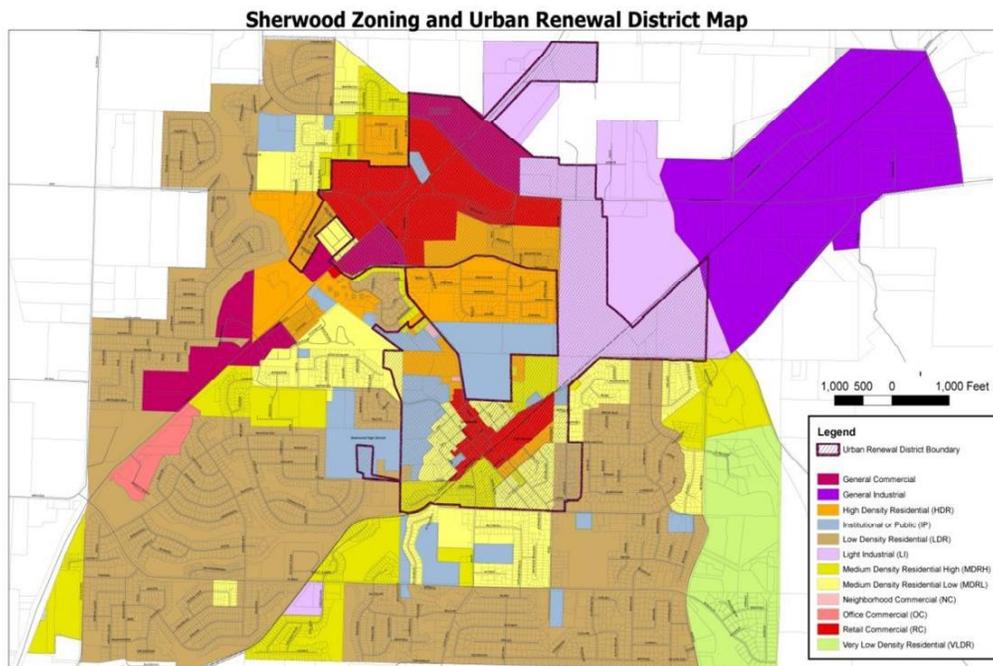
District Administrator
Finance Director/Budget Officer

Jim Patterson
Craig Gibons

www.ci.sherwood.or.us

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Budget Message for FY 2011-12

The City of Sherwood Urban Renewal Agency (URA) is a legally separate entity from the City. The Sherwood City Council serves as the Board of Directors for the URA and is financially accountable for its operations. In accordance with Oregon budget law, the URA prepares its own budget, and the Board of Directors approves its annual appropriations.

Urban renewal agencies are designed to borrow money and make expenditure for economic and community development projects included in the Urban Renewal Plan. When the Sherwood Urban Renewal Plan was adopted in 2000, property values were frozen. The taxes collected on that frozen value continues to flow to the taxing authorities (City, County, Schools, TVF&R, etc.). The taxes collected on increased property values that occur with NEW development generate incremental tax revenue. This tax increment is then used to repay the URA debt and implement the URA plan.

Urban Renewal Tax Collections are not an additional tax, and do not take revenue away from other taxing districts. Urban Renewal Tax Collections are used to initiate development that would not be financially feasible without infrastructure improvements made possible by urban renewal financing.

2010-11 Accomplishments

- Façade Grants totaling \$37,863 for Let's Make Music and Bella Via.
- Oregon Infrastructure Financing Authority Cannery Loan was approved.
- Cannery PUD was approved and construction has commenced.
- The non-profit, Businesses of Old Town Sherwood (BOOTS) was formed and a Resource Assistance for Rural Environments (RARE) intern was in position for 10 months, successfully promoting Old Town through events and marketing.
- Completed two Small Business Workshop series in the fall and spring.

2011-2012 Goals, Strategies, Values and Activities

Goal: *The City of Sherwood will promote responsible Economic Development which benefits the community*

Strategies:

Support existing businesses and recruit additional businesses that provide local family wage jobs.

Activities

- Coordinate Cannery Redevelopment
- Promote Sherwood through Business Oregon, Regional Partners, and OEDA involvement
- Promote Oregon Prospector listing of commercial and industrial sites
- Assist with BOOTS efforts in the implementation of the Old Town Marketing Plan
- Strategize with PCC and the Chamber to provide additional business training

Performance Measures

- Complete Cannery Project streets, infrastructure, and Plaza construction
- Track number of recruitment proposals
- Track business retention visits
- Track number of properties listed

- Increase in number of businesses in Old Town
- Hold additional Small Business Workshops in the Fall and Spring

Develop the infrastructure and services necessary to support economic development in Sherwood.

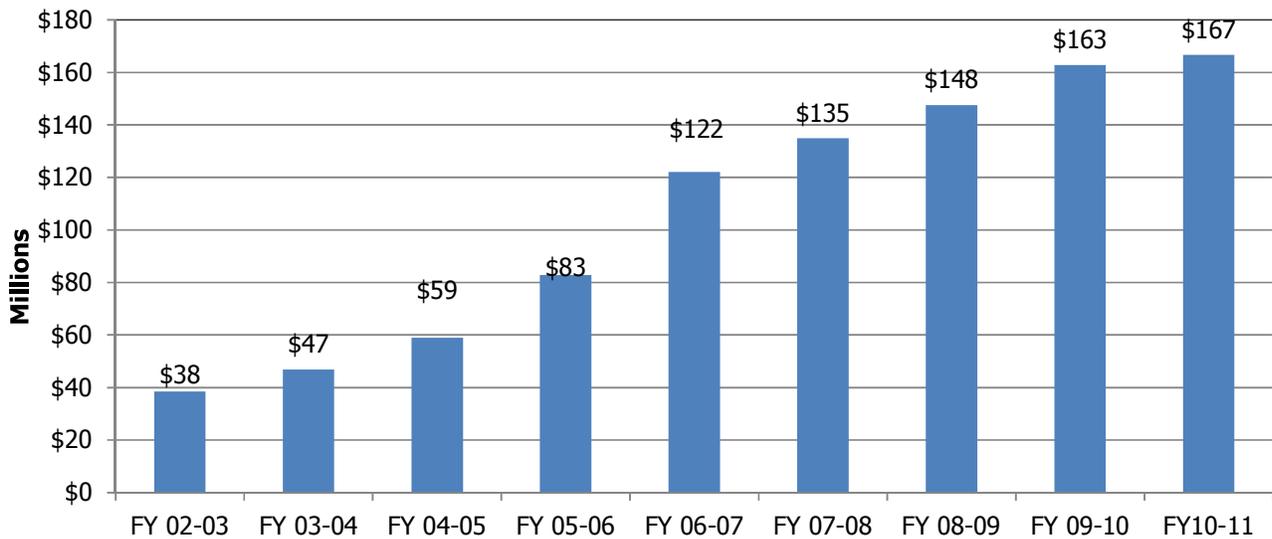
Activities

- Implement an infrastructure Financing Plan for the Urban Renewal District
- Develop URA Plan expansion options to include new employment lands

Performance Measures

- Financing plan complete
- URA plan options complete and ready for consideration
- Increase in assessed value of properties in the district

Urban Renewal District Incremental Assessed Value



Urban Renewal Operations Budget

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 1,181,140 | \$ 2,792,650 | \$ 2,877,087 | \$ 1,810,913 | \$ 2,865,240 | \$ 2,865,240 | \$ 2,865,240 |
| Revenue | | | | | | | |
| Taxes | 2,667,057 | 3,019,360 | 2,794,616 | 2,887,500 | 3,292,012 | 3,292,012 | 3,292,012 |
| Charges for services | - | 42,081 | - | - | - | - | - |
| Fines, interest and other | 365,000 | 45,825 | 28,000 | 36,000 | 36,000 | 36,000 | 36,000 |
| Total revenue | 3,032,057 | 3,107,267 | 2,822,616 | 2,923,500 | 3,328,012 | 3,328,012 | 3,328,012 |
| Other sources | | | | | | | |
| Issuance of long-term debt | 6,065,000 | 1,000,000 | 9,000,000 | 5,500,000 | - | - | - |
| Total other sources | 6,065,000 | 1,000,000 | 9,000,000 | 5,500,000 | - | - | - |
| Total sources | 10,278,197 | 6,899,916 | 14,699,703 | 10,234,413 | 6,193,252 | 6,193,252 | 6,193,252 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 96,036 | 116,886 | 103,234 | 124,155 | 68,496 | 68,496 | 68,496 |
| Payroll taxes | 8,325 | 9,866 | 9,666 | 10,877 | 6,002 | 6,002 | 6,002 |
| Benefits | 31,261 | 35,828 | 31,823 | 38,622 | 26,484 | 26,484 | 26,484 |
| Total personal services | 135,621 | 162,580 | 144,722 | 173,654 | 100,982 | 100,982 | 100,982 |
| Materials and services | | | | | | | |
| Professional & technical | 161,203 | 403,938 | 305,000 | 115,000 | 52,000 | 52,000 | 52,000 |
| Facility and equipment | 6,114 | 6,807 | - | 6,383 | 6,500 | 6,500 | 6,500 |
| Other purchased services | 16,327 | 18,708 | 18,970 | 12,552 | 16,596 | 16,596 | 16,596 |
| Supplies | 5,152 | 2,576 | 3,600 | 800 | - | - | - |
| Community activities | 145,000 | 27,464 | 121,200 | 51,200 | 1,200 | 1,200 | 1,200 |
| Other materials & services | 104,148 | 83,347 | 79,728 | 84,620 | 78,273 | 78,273 | 78,273 |
| Total materials & services | 437,944 | 542,840 | 528,498 | 270,555 | 154,569 | 154,569 | 154,569 |
| Capital outlay | | | | | | | |
| Land | 3,329,000 | 577,299 | 350,000 | - | - | - | - |
| Infrastructure | 1,480,180 | 2,172,072 | 9,000,000 | 5,161,014 | 42,000 | 42,000 | 42,000 |
| Buildings | 150,000 | - | - | - | - | - | - |
| Total capital outlay | 4,959,180 | 2,749,370 | 9,350,000 | 5,161,014 | 42,000 | 42,000 | 42,000 |
| Debt service | | | | | | | |
| Principal | 1,135,166 | 911,016 | 940,917 | 940,917 | 2,093,342 | 2,093,342 | 2,093,342 |
| Interest | 817,636 | 723,198 | 823,033 | 823,033 | 863,915 | 863,915 | 863,915 |
| Total debt service | 1,952,802 | 1,634,213 | 1,763,950 | 1,763,950 | 2,957,257 | 2,957,257 | 2,957,257 |
| Total expenditures | 7,485,547 | 5,089,003 | 11,787,170 | 7,369,174 | 3,254,808 | 3,254,808 | 3,254,808 |
| Other uses | | | | | | | |
| Ending Fund Balance | 2,792,650 | 1,810,913 | - | - | - | - | - |
| Contingency | | | 2,912,533 | 2,865,240 | 2,938,443 | 2,938,443 | 2,938,443 |
| Total uses | 10,278,197 | 6,899,916 | 14,699,703 | 10,234,413 | 6,193,252 | 6,193,252 | 6,193,252 |

In their November/2010 issue, *Forbes* magazine ranked the Portland/Vancouver metro area in the top 10 metropolitan area for business and careers.

Urban Renewal Capital Projects

Sherwood Forest Senior Community: The Sherwood Urban Renewal Agency purchased property adjacent to the Senior Center in 2009 that will facilitate the extension of Cedar Creek trail and allow for the construction of senior affordable housing. The URA, in partnership with a non-profit will donate the necessary property and pre-development to access a HUD-202 grant for the construction of a 30 unit affordable housing complex for senior citizens. The budgeted expenses are for pre-development costs, and will help in providing the necessary match for the HUD-202 grant proposal.

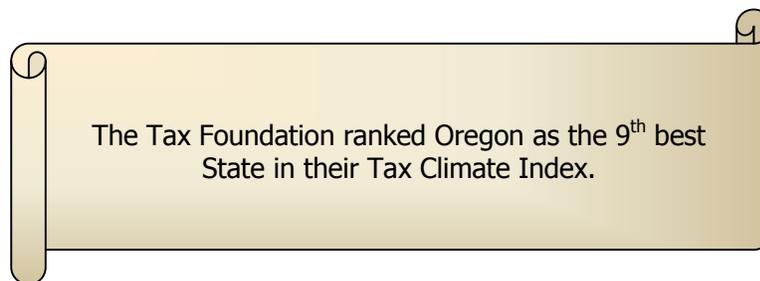
The project, once completed, will be maintained by the non-profit.

Plaza Development: One element of the Cannery Square project is construction of the 13,000 square foot plaza approved by the Planning Commission and City Council. The budgeted expenses are projected to cover the remainder of expenses for this project which should be completed by December/2011. Funding has already been accessed through an \$8.5 million loan from the State of Oregon Infrastructure Finance Authority.

Maintenance of the plaza will be performed by the Public Works department.

Community Center Building Development: Another element of the Cannery Square project is the redevelopment of the Product Manufacturing building which was once the Portland Cannery Company warehouse. This is the only building remaining of a once major industry in Sherwood. It will be redeveloped into retail and community center space already approved by the City Council. Funding has already been accessed through an \$8.5 million loan from the State of Oregon Infrastructure Finance Authority. The project is expected to be completed by late summer of 2012.

Maintenance of the building and grounds will be performed by the Public Works department.



URBAN RENEWAL DISTRICT**CAPITAL BUDGET****Urban Renewal Capital Budget**

| | 2008-09 Actual | 2009-10 Actual | 2010-11 Budget | 2010-11 Projected | 2011-12 Proposed | 2011-12 Approved | 2011-12 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Revenue | | | | | | | |
| Intergovernmental | - | - | - | - | 42,000 | 42,000 | 42,000 |
| Total revenue | - | - | - | - | 42,000 | 42,000 | 42,000 |
| Other sources | | | | | | | |
| Issuance of long-term debt | - | - | - | - | 3,967,941 | 3,967,941 | 3,967,941 |
| Total other sources | - | - | - | - | 3,967,941 | 3,967,941 | 3,967,941 |
| Total sources | - | - | - | - | 4,009,941 | 4,009,941 | 4,009,941 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | - | - | - | - | 44,544 | 44,544 | 44,544 |
| Payroll taxes | - | - | - | - | 3,973 | 3,973 | 3,973 |
| Benefits | - | - | - | - | 16,668 | 16,668 | 16,668 |
| Total personal services | - | - | - | - | 65,185 | 65,185 | 65,185 |
| Materials and services | | | | | | | |
| Other purchased services | - | - | - | - | 456 | 456 | 456 |
| Other materials & services | - | - | - | - | 50,517 | 50,517 | 50,517 |
| Total materials & services | - | - | - | - | 50,973 | 50,973 | 50,973 |
| Capital outlay | | | | | | | |
| Land | - | - | - | - | 350,000 | 350,000 | 350,000 |
| Infrastructure | - | - | - | - | 3,543,783 | 3,543,783 | 3,543,783 |
| Total capital outlay | - | - | - | - | 3,893,783 | 3,893,783 | 3,893,783 |
| Debt service | | | | | | | |
| Total debt service | - | - | - | - | - | - | - |
| Total expenditures | - | - | - | - | 4,009,941 | 4,009,941 | 4,009,941 |
| Other uses | | | | | | | |
| Ending Fund Balance | - | - | - | - | - | - | - |
| Contingency | - | - | - | - | - | - | - |
| Total uses | - | - | - | - | 4,009,941 | 4,009,941 | 4,009,941 |

In FY 2010 statewide collection of tax increment for investment by Urban Renewal Districts was over \$212 million.

Debt Service Expenditures to Maturity

| City Loans for Sherwood Urban Renewal Agency Projects | | | | | |
|--|--------------------------------|-----------------------|-------------------------------|---|--------------------------------------|
| | 2003 Civic Building | 2003 OECCD | 2004 Land Purchase | 2005 Old School & Sports Field | 2006 Downtown Streets |
| Original Amount | \$ 2,435,000 | \$ 5,845,708 | \$ 350,000 | \$ 830,000 | \$ 1,800,000 |
| Balance at 6/30/11 | 580,000 | 4,254,561 | 105,000 | 568,000 | 1,376,005 |
| Payment Source | URA property taxes | | | | |
| Paying Fund | Urban Renewal Agency | | | | |
| Year Ending June 30 | | | | | |
| 2012 | 305,590 | 438,486 | 39,681 | 80,336 | 175,396 |
| 2013 | 305,473 | 435,853 | 37,809 | 78,769 | 175,416 |
| 2014 | - | 437,879 | 35,983 | 80,145 | 175,398 |
| 2015 | - | 434,138 | - | 80,314 | 175,396 |
| 2016 | - | 434,738 | - | 79,334 | 175,386 |
| 2017 | - | 434,938 | - | 80,239 | 175,396 |
| 2018 | - | 434,483 | - | 80,657 | 175,395 |
| 2019 | - | 438,353 | - | 80,487 | 175,386 |
| 2020 | - | 436,313 | - | 79,830 | 175,397 |
| 2021 | - | 438,553 | - | - | 175,398 |
| 2022 | - | 434,828 | - | - | 43,849 |
| 2023 | - | 435,496 | - | - | - |
| 2024 | - | 435,234 | - | - | - |
| 2025 | - | - | - | - | - |
| 2026 | - | - | - | - | - |
| 2027 | - | - | - | - | - |
| 2028 | - | - | - | - | - |
| 2029 | - | - | - | - | - |
| 2030 | - | - | - | - | - |
| 2031 | - | - | - | - | - |
| 2032 | - | - | - | - | - |
| 2033 | - | - | - | - | - |
| 2034 | - | - | - | - | - |
| 2035 | - | - | - | - | - |
| 2036 | - | - | - | - | - |
| | \$ 611,063 | \$ 5,669,292 | \$ 113,473 | \$ 720,111 | \$ 1,797,813 |

Debt Service Expenditures to Maturity

City Loans for Sherwood Urban Renewal Agency Projects

| | 2006 Downtown Streets | 2010 Streets & Cannery | 2010 Cannery | Total Debt on behalf of URA |
|----------------------------|--------------------------------------|---------------------------------------|--|--|
| Original Amount | \$ 6,400,000 | \$ 7,065,000 | \$ 8,500,000 | 33,225,708 |
| Balance at 6/30/11 | 5,538,077 | 6,820,000 | 1,812,916 | 21,054,559 |
| | | | URA property taxes Urban Renewal Agency | |
| Year Ending June 30 | | | | |
| 2012 | 483,820 | 554,820 | - | 2,078,129 |
| 2013 | 485,419 | 553,345 | 425,000 | 2,497,084 |
| 2014 | 481,619 | 551,360 | 425,000 | 2,187,384 |
| 2015 | 482,619 | 553,865 | 425,000 | 2,151,332 |
| 2016 | 483,219 | 555,605 | 425,000 | 2,153,282 |
| 2017 | 483,419 | 551,580 | 425,000 | 2,150,572 |
| 2018 | 483,220 | 552,045 | 425,000 | 2,150,800 |
| 2019 | 482,619 | 551,745 | 425,000 | 2,153,590 |
| 2020 | 481,619 | 555,680 | 425,000 | 2,153,839 |
| 2021 | 484,863 | 553,595 | 425,000 | 2,077,409 |
| 2022 | 482,263 | 555,768 | 425,000 | 1,941,708 |
| 2023 | 484,088 | 553,563 | 425,000 | 1,898,147 |
| 2024 | 485,276 | 550,660 | 425,000 | 1,896,170 |
| 2025 | 480,656 | 552,060 | 425,000 | 1,457,716 |
| 2026 | 485,343 | 552,530 | 425,000 | 1,462,873 |
| 2027 | 484,156 | 552,070 | 425,000 | 1,461,226 |
| 2028 | - | 555,680 | 425,000 | 980,680 |
| 2029 | - | 553,128 | 425,000 | 978,128 |
| 2030 | - | 554,645 | 425,000 | 979,645 |
| 2031 | - | - | 425,000 | 425,000 |
| 2032 | - | - | 425,000 | 425,000 |
| 2033 | - | - | - | 0 |
| 2034 | - | - | - | 0 |
| 2035 | - | - | - | 0 |
| 2036 | - | - | - | - |
| | \$ 7,734,218 | \$ 10,513,744 | \$ 8,500,000 | \$ 35,659,714 |

